Daily Report

Latin America

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FBIS-LAT-94-033 17 February 1994

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OAS Asserts Development Must Be Decided by Each State

PA1702042494 Mexico City NOTIMEX in Spanish 2103 GMT 14 Feb 94

[Text] Mexico City, 14 Feb (NOTIMEX)—The OAS asserted today that development models must result from the decisions and efforts of each state within a favorable foreign context and with the support of renewed international cooperation. "They must not be imposed from abroad or based on a sole paradigm," the OAS asserted in a preliminary document for the "Inter-American Cooperation for Development" meeting that will be inaugurated here next Thursday. The OAS stated that, for this reason, it is necessary to generate a new concept and form of cooperation solidarity for development within the organization; one that will allow it to overcome problems and respond to current situations more effectively.

Two documents were prepared for the meeting, which will be attended by foreign ministers and representatives of the 34 OAS member states and will end on Saturday. The documents will be the center of the Special OAS General Assembly deliberations.

The first document is an attempt to reach "agreements on strategies and systems that will further the achievement of integrated development, the struggle against extreme poverty, and the improvement of the basic levels of social and economic well-being in the hemisphere." The document emphasizes that "it is first necessary to strengthen the role of the OAS as a forum for inter-American dialogue as this will enable it to promote the development of the member states." It observes that activities should be geared to those areas in which the organization has comparative advantages, meaning where it can complement the actions of other organizations to boost the development of its member states. To further this end,—the document asserts—special attention will be given to efforts to coordinate development financing; to foster the creation of productive jobs; and to propitiate economic integration, commercial opening, and access to markets. Attention will also be given to the fight against the use, production, and trafficking of illegal drugs, as well as related crimes. The preservation, enrichment, and transmission of the countries' cultural identities and languages will also be furthered, as well as public administration strengthened.

The second document, which is called "Commitment To Promote Cooperation Solidarity and To Overcome Poverty," notes the effects of the economic crisis that jeopardized most of the countries in the region during the past decade. In this sense, the second document highlights the reforms made by the OAS to eliminate extreme poverty and foster integrated development in its member states. For example, the OAS created the Inter-American Council for Integrated Development that is aimed at promoting cooperation solidarity for development.

An OAS report indicates that democracy "has been revitalized" on the American continent as, perhaps, nowhere else in the world. The report on OAS activities, which was published in the OAS TODAY magazine, observes that representative democracy is the rule in the countries of the region. It highlights that many of the democratic changes experienced on the continent occurred prior to those that took place in Central and Eastern Europe. The report estimates that governments elected by the people have substituted de facto leaders in several countries and that other nations have gradually strengthened their democratic structures and institutions. It highlights the OAS commitment to the modernization of economic structures and to the achievement of social justice and adds that making democracy a sustainable system is "an essential task" at the OAS.

President Gaviria Officially Announces OAS Candidacy

PA1702011794 Paris AFP in Spanish 0003 GMT 17 Feb 94

[Text] Santa Fe de Bogota, 16 Feb (AFP)—Colombian President Cesar Gaviria officially announced on Wednesday [16 February] his candidacy for the post of OAS secretary general. In a brief statement read at the Narino Government Palace, Gaviria said his wish, if he is elected, is to strengthen the continent's political and economic integration.

Gaviria decided to run for the OAS post in view of the requests made to him by different world leaders since December. Gaviria's candidacy is sponsored by the United States and has received the official backing of Peru, Argentina, Mexico, and Bolivia.

In his speech, Gaviria said that "America is concerned about the future of the OAS." He added that "we all know that under the current circumstances, the self-same future of the inter-American system is at stake along with the election of the secretary general. This is where Colombia faces a big responsibility. If we have in our hands the tools, knowledge, and experience, we must place it at the service of the hemisphere." "I hope that my commitment can serve to unite at a time when the OAS faces the responsibility of outlining new paths within the context of a new, more just world order amid solidarity," he said.

He also said he has great respect for his rivals (Bernd Niehaus of Costa Rica and Miguel Angel Burelli of Venezuela). He invited both of them to share their respective views in such a way that, rather than reflect a race, which he considered futile, it will show the wish to contribute to a peaceful future for the continent.

The new OAS secretary general, who will succeed Brazilian Joao Baena Soares, will be designated on 27 March.

Costa Rica's Niehaus Anticipates Gaviria Defeat

PA1702040394 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0230 GMT 17 Feb 94

[From the "Noticiero CMI Television" newscast; passages within quotation marks are recorded]

[Text] President Cesar Gaviria decided tonight to announce his candidacy for the post of OAS secretary general. Immediately afterward, his main contender, Costa Rican Foreign Minister Bernd Niehaus, said he regretted the president's anticipated defeat. The first vote will be held on 27 March. Gaviria must garner at least 18 votes. Otherwise, there will have to be a runoff election.

[Gaviria] "I will work to make a reality of the Bolivian dream of integration, reflected initially in the creation of a great free zone, which will link the vast territories from Alaska to the Patagonia and which will show the world the grandeur of America."

With that as his principal goal, President Gaviria announced his candidacy for the post of OAS secretary general. The consultation phase to present his name for consideration by the countries of the hemisphere began early this year. After requests by countries such as Mexico, Canada, and the United States, Gaviria sent Foreign Minister Noemi Sanin to Central America and the Caribbean to explore his possibilities. Today, he is certain of the support that he has and is therefore running in the race.

[Gaviria] "If by the decision of the countries who are part of the OAS the Colombian president is elected secretary general, I would like to see my fellow citizens regard it also as a triumph which undoubtedly belongs to all of us."

Gaviria invited his contenders to engage in a calm debate, devoid of rhetoric and without divisions between large and small, or poor and rich countries.

[Gaviria] "I have great respect for my contenders. I invite them to express our respective views in such a manner that rather than reflect a race, which would be futile, it will demonstrate our desire to contribute to a prosperous and peaceful future which we want for our peoples."

Costa Rican Foreign Minister Bernd Niehaus told CMI this evening that he has 20 votes for sure, as opposed to 12 for the president. The foreign minister had this to say:

[Niehaus] "The fact that the name of a president, a president as respected as President Gaviria, the president of such a dear and beloved country as Colombia, is naturally.... [pauses] it makes one think about how this process is evolving. How will it continue? Well it will continue with respect for the president, with love for Colombia, but with support for Costa Rica. I have no reason to object to the Colombian president's decisions. What I must do is respect them. I don't think he will do so. If he does, with all due respect, I don't give him any chance."

Tonight in Mexico City Foreign Minister Bernd Niehaus reacted to the official announcement of the candidacy of President Gaviria.

[Niehaus] "I believe that President Gaviria may have 10 or 12 votes. I think that reality has probably been kept from him, otherwise he would not have announced his candidacy officially. We will see the end result five weeks from now."

[Unidentified Reporter] "How many votes do you have Mr. Foreign Minister?"

[Niehaus] "I have 23 votes at the present time."

According to Colombian Foreign Ministry estimates, President Gaviria has 20 votes for sure. That is two more than are needed to be elected on the first vote. Foreign Minister Niehaus today has only 14 votes. Colombian estimates indicate that the Colombian foreign minister's mission in Latin America was successful. President Gaviria has the certain votes of countries such as Paraguay, Uruguay, Bolivia, the United States, Mexico, Peru, and Brazil—the majority of influential countries in the international context.

Meanwhile, Niehaus has the support of Central American and Caribbean countries. Chile has also announced its intention to vote for the Costa Rican foreign minister, but President Frei's inauguration on 11 March could tilt the balance in Colombia's favor. These countries have signed a document of support. Countries that have announced they will change their vote have done so only privately. Publicly, Niehaus, who is on a Caribbean tour, appears to have the majority. There is certainty, however, that when voting time comes around, the name of a president will have more relevance. Today's official announcement was made based on the certainty of triumph.

Miguel Angel Burelli, Venezuelan foreign minister, has only the vote of his country and its neighbor, Suriname. With the launching of President Gaviria in the race, the Narino Government Palace believes that the numbers will lean toward Colombia. The results will be seen on 27 March.

Cuba

Foreign Ministry Spokesman Cited on Illegal Emigration

PA1702022894 Havana Radio Havana Cuba in Spanish 0100 GMT 17 Feb 94

[From the "Evening Information Review" newscast]

[Text] A spokesman for the Cuban Foreign Ministry reiterated that entering embassies is not an acceptable way of leaving the country and that those who do so are on the mistaken path.

In allusion to a group of persons who on 26 January entered the Belgian Embassy in Havana, he told PRENSA LATINA that [the authorities] will not allow this method to be adopted by those intent on leaving Cuba.

The Cuban Foreign Relations Ministry spokesman explained that entering a diplomatic mission cannot be a privilege or safe conduct for emigration. In that regard, he said that Cuba has not changed its policy and remembered that there are emigration laws that allow any citizen to travel abroad, as long as he has received a visa and paid for the transportation.

The spokesman said that the four men, two women, and one minor who are in the Belgian Embassy in this capital must leave the diplomatic mission voluntarily and return to their residence and undertake the normal steps to leave the country, even if they have a visa.

Dominican Official, Others Cited

PA1702024994 Havana Radio Havana Cuba in Spanish 0100 GMT 17 Feb 94

[From the "Evening Information Review" newscast]

[Text] Dominican Deputy Foreign Minister Fabio Herrera has asserted that, in his country, citizens of Cuban origin are not persecuted and that there are only controls to prevent illegal trips to the United States.

Danilo Garcia, president of the Association of Cubans in the Dominican Republic, said the attempts to leave that country in fragile boats are a result of the U.S. refusal to grant them a visa to travel to Florida to join their relatives.

Observers noted that the attempts by Cuban citizens to travel illegally to the United States are linked to the favorable greeting given to those who use those means, in spite of the serious risk to their lives.

VOA Report on Conference With Exiles Labeled 'Flagrant Lie'

FL1602210494 Havana Radio Rebelde Network in Spanish 1800 GMT 16 Feb 94

[Commentary by Jose Armas]

[Text] Last night, the Voice of America [VOA], an official institution of the U.S. Government, reported during their Spanish broadcasts on the meeting that the Cuban Government and the organizations of our country have just proposed for April, entitled: Cuba and the Exile Community.

In essence, the VOA stated that President Fidel Castro had extended an invitation to exiled Cubans throughout the world and that the only condition set on attending the conference was loyalty to the Revolution.

Even though the VOA transmissions are aimed at Latin America and the Caribbean and practically all the rest of the world, it is imperative to state the following: The VOA's report is flagrantly false. First: The summons was not made on behalf of Comrade Fidel but on behalf of the Revolutionary government and the Cuban organizations. Second: Nowhere in the text of the call are Cuban exiles mentioned, but persons and organizations who are representative of Cuban emigration. Third: It is a flagrant and miserable lie to state that the only condition demanded by the Cuban authorities to attend the conference was loyalty to our Revolution.

The summons states the determination of the Cuban authorities and people to advance toward normalization of relations with those residents abroad who, constituting a majority of emigres, are not relinquishing their ties with the country. They do not condition them on personal and political aspirations or group interests. That is something very different from what the VOA stated.

Cuba is not making a call for a political dialogue, even though the summons has, of course, a certain political connotation. The Cuban proposal is based on humanist principles. As for the rest, the VOA can be sure that the conference will be held and that it will not be a dialogue of the deaf, but a dialogue between men and women of good will.

Exile Community Conference Invitations

FL1602230294 Havana Radio Rebelde Network in Spanish 1700 GMT 16 Feb 94

["Straight Talk" program with host Juan Carlos Roque Garcia and Guests Osvaldo Rodriguez of the weekly JUVENTUD REBELDE and Luis Sexto of BOHEMIA magazine—live or recorded]

[Text] [Roque] Today we would like to discuss the invitation for a conference between Cubans and the exile community. Where do we begin?

[Sexto] Well, Rodriguez just pointed out to me, so I will begin, that an invitation has been extended for a dialogue. I take this invitation as an effort by our country to build a bridge for the Cuban community abroad. This is not the first time that our country has tried to build a bridge. We recall that Cuba also tried to establish a bridge for Cuban exiles in 1978. Cuba tried to maturely

understand their situation. It tried to give to that community its value and role within our history, within our set of problems, and within our then current situation.

[Roque] And that strengthens the idea of a family reunion.

[Sexto] Indeed. Cuba has also tried to reunite the Cuban family. It has sought a reunion, which is one of the essential causes for maintenance of the migration level in our country. That is, since the first years of the Revolution, there has been a migratory chain of relatives. This has been one of the causes of a continuous emigration over the past years. The Revolution has tried to resolve this problem of distance and separation of family members. Everyone must remember that this was attempted in 1978, and if not premature, I believe there were neither objective or subjective conditions to make this dream come true.

[Roque] What we are certain about is that the Cuban Government has always favored reunion of the Cuban family. It has always been said that there were not the conditions here for receiving many of those people who wished to be reunited with their relatives. But the willingness, the idea that this existed, has always been on the negotiating table. At least I think willingness existed in 1978.

[Rodriguez] I also think that in a way, the Cuban family has always been a hostage of the Cuban-U.S. conflict and policy.

[Roque] Well, that is another subject we are going to discuss later.

[Rodriguez] Well, yes, it is another problem, but this idea of being hostage to a policy, namely the U.S. hostile policy toward Cuba, represents a wall, a curtain, a barrier against family reunion, because the United States has used the migration issue as a spearhead against the Revolution. Undoubtedly, when a relative of yours is on the opposite side of the idea you defend, or the cause you defend, a disruption takes place within the family. But today I think we are reuniting many families divided for political reasons, families that have adopted different political stances after being separated. But this is not happening for the first time now, during this revolutionary period. It also happened during the Spanish period. There were families, well, Creoles of Spanish descent, who broke from one another because they defended different positions.

Later, during the era of the Republic—or during the pseudo- republic as we call that period of successive governments of representative democracy—many families were also broken up for political reasons. I think the time has come to end this political disruption in family relations because with greater respect within families, with greater respect for the ideas each might hold, without humiliation or offense, the families with varying points of view can be reunited.

[Sexto] I believe, Osvaldo, that except for the people who could have left the country for true political reasons, the rest of our exiled people have misinterpreted that policy or have had a mistaken idea about it. That is, Cuban exile is eminently economic. The Cuban exile who goes to the United States, the principal immigration center of America and the world, obviously seeks to improve his well-being. But to migrate to that country, he is forced to adopt a different stance, because as you have just said, the emigrants have been hostages of the U.S. policy against the Cuban Revolution. The United States has politicized immigration because right now the best means of going to the United States is by assuming a political stance against the Cuban Revolution. For instance, today it is very difficult to obtain a legal visa to enter the United States from Cuba. It is very difficult for you to be granted a visa to legally settle down in the United States. However, if you get there on a bicycle, on a raft, or a barge, you are immediately and automatically admitted into the United States because you are considered a political refugee.

[Rodriguez] I would like to give you a little example of this. Not long ago I heard a casette tape, sent by a boy who had to migrate from one country to another until he reached the United States. But in the United States he had to make remarks against Cuba to be admitted. He sent this casette to his relatives, expressing regret that he made those remarks. He said: If my friends who know my way of thinking had heard my remarks, they would definitely think that I am a dishonest man.

[Roque] Friends, we are discussing the invitation for a dialogue with the exile community from 22 to 24 April in Havana. I think we can discuss the ideas currently prevalent among Cubans and the exile community on this conference.

[Rodriguez] I believe there are some who think this step is being taken because of a crisis situation in the country. I have heard some clear statements in this regard: that this decision was made because the country is in crisis. I do not believe the crisis has anything to do with the reunion, with the normalization of relations. In fact, the possibility of normalization had been much discussed before the crisis.

Moreover, as Sexto just said, talks with the community in the United States, and with the entire community abroad, began in 1978. These talks were aborted because of the enemy's activities. My opinion is that we should not expect this community to help us economically, although it could happen. But the objective is not for it to help us economically. I think the normalization of relations with Cuban exiles is a human right, a right of the family. If I am a Cuban who decided for any reason to migrate to another country, I must be respected as a Cuban, just as I must respect my country's government and the decision of the majority of the people. It is that respect that is being sought. But I think the invitation read by the foreign minister is very clear. There will be no talks about this or another political system. The

discussion will deal with the civilian and legal situation of the exiles. This must be made very clear because the invitation itself is clear in this respect. I think it will be broadly discussed soon.

[Sexto] I do not think Cuba will be talking with the political exile community. Cuba will speak to the economic exile community. The economic exile community is a world phenomenon. This is what we are talking about. We must clearly note the difference between a political and an economic exile. Of course the political exiles will not be present at that conference because the political community is an organization which leaves the country with the intention of returning to impose the reestablishment of its party and its class, to restore the government or the power it had lost. That is what characterizes the political exiles. This can be clearly seen within the Miami community. There is a political community, which fights day after day—fights, talks, kicks, and moans. It cries in the hope of returning to reimpose its idea, to reassume the government. They do not care about the interests of Cuba or of the Cuban people. They only care for their political interests.

Those who will come in April are economic exiles who left the country to improve their well-being, to find ways to fulfill their aspirations and talents, but who wish to maintain a link with their people. The Cuban by tradition is patriotic. It is appropriate that this community maintains its language, its traditions, its culture. They must be respected for this, and given consideration. A link must be built between them and us. No political matters will be discussed. These people will not demand power. They will not come to ask the working class for power. They are not coming to ask the Communist Party for power. They are not coming to ask Cuba to sacrifice its national interests. They are coming to ask for what we can give them: understanding, ties with their relatives, ties with their country, and ties with their culture.

[Roque] We are getting to the end of the program, and we must reach a conclusion on this invitation to the conference. But are the Cubans, the Cubans who are here, aware of the times that are coming, of this exchange of ideas, of this rapprochement with the community that lives not only in the United States but throughout the world?

[Rodriguez] I think our people have been politicized. They have a fine understanding of what could happen. They are aware of the possible outcome. When you speak with a worker who has a lower cultural level—the lowest level for us is the ninth grade—speaking with workers, we realize that they are aware of what is happening. They are also aware of the fact that the policy on migration has changed because we know one another better. The idea we have on migration has also changed.

[Roque] Do you not think that changing the idea of those who are on the other side might also change the U.S. policy imposed all along concerning the Cuban economic and political situation?

[Sexto] It is possible. It is possible, but this is not the time to prophesy anything. It could be a pressure element forcing the United States to reconsider its policy. I think we Cubans who are on this side must be aware that many Cubans who are on the other side are also changing their ideas on the situation. They are becoming aware of the false idea they had that forced their migration. We must also admit and recognize that we cannot continue ignoring the U.S. policy toward Cuba, which has taken the migration issue as a pressure and propaganda element against our country and its interests. We must admit that, except for that political sector of the exile community that is fighting to return to this country as a conqueror, the rest are true Cubans who by right deserve to have an affective link with their people.

[Rodiguez] Well, answering Roque's question on the nation and migration, and what could be said about it, I think we Cubans comprise a single nation. We will always be a single nation regardless of where our citizens live. This has been demonstrated by that community in Miami that has not allowed itself to be affected by another society.

[Roque] I wish to thank Osvaldo Rodriguez and Luis Sexto for their participation in this discussion on the invitation for dialogue with the exile community that will be held in Cuba in April, 1994.

'Mambi' Antiaircraft Assault Rifle Developed in 1993

FL1602200994 Havana Radio Rebelde Network in Spanish 1800 GMT 16 Feb 94

[Text] The development of a 12.7-mm caliber assault rifle, the "Mambi," is among the most outstanding contributions of the Revolutionary Armed Forces [FAR] weapons specialists during 1993. The assault rifle was developed by Lieutenant Colonel Armando Gutierrez Mesa. Margarita Torres has more details:

[Torres] The "Mambi" is designed to fire on assault helicopters, which were used by the Yankees in their aggressions in Panama and the Gulf War. We will learn more of the rifle's combat capability from the coauthor of the project, Lieutenant Colonel Giraldo Perez Banos.

[Perez] We have the capability of hitting a target at 2 km with very high accuracy. In tests, we verified that this assault rifle can hit a target measuring 2 meters by 2 meters at a distance of 2 km. That is more than enough to counter this technique by the enemy.

[Torres] How much does it weigh?

[Perez] This assault rifle weighs approximately 14 kg and can be readily handled by any combatant. It is 1.4 meters in length and its center of gravity has been designed to rest on the shoulder of the marksman, which makes the weapon very easy to use.

[Torres] Are we talking about an authentically Cuban assault rifle?

[Perez] That is one of its main characteristics. Despite the special period, Cuba has been able to design a weapon with these characteristics that is effective against such means of aggression as enemy helicopters. We have used Soviet 12.7-mm caliber ammunition in it. We have designed a system by which one man can fire an assault rifle of such size by himself.

[Torres] The Cuban Science Academy named this portable 12.7-mm caliber assault rifle one of the outstanding scientific projects of the country in 1993.

Ontario Lawmakers To Promote Aid for Cuba

PA1602205394 Havana Radio Havana Cuba in Spanish 1300 GMT 13 Feb 94

[From the "Morning Information Review" newscast]

[Text] Canadian lawmakers from Ontario Province have emphasized their intention to help our country in sectors like public health, education, and transportation during a meeting with Reynaldo Endis, president of the Santiago de Cuba Provincial Assembly. The Canadians voiced their willingness to conduct in their country a broad campaign of solidarity with Cuba. They also expressed their admiration of Cuba's achievements in different areas and efforts by the people to maintain and defend the gains of the revolution. The Canadian lawmakers will conclude their tour of the eastern province of Santiago de Cuba after visiting places of economic and social interest.

Delegation Discusses Cooperation With Medellin Region

FL1702003794 Havana Radio Reloj Network in Spanish 2222 GMT 16 Feb 94

[Text] Cuban Ambassador to Colombia Jesus Martinez has concluded a visit to Medellin during which he studied, with Medellin authorities and businessmen, the possibilities for cooperation in several different spheres. Accompanied by Antonio Gonzalez, one of the discoverers of the vaccine against Hepatitis-B, as well as by several tourist sector (?and) medical industry officials, Martinez discussed, with the Medellin City Council and the municipal firm, Metro-Salud, exchanges in that area. He held talks with businessmen from several sectors on the prospects of direct investment in other businesses that Cuba offers; and at the liquor firm that belongs to Antioquia Department, the possibility of bottling Cuban rum and distributing it from there was analyzed. The diplomat gave a talk at the University of Antioquia on Cuba's current situation and its future.

The Cuban delegation headed by Ambassador Martinez also looked into the possibilities for exchanges in the spheres of education and culture, as well as of joint publishing, with the Autonomous Latin American University, and visited the daily papers EL COLOMBIANO and EL MUNDO.

The visitors also met with Mayor Jose Luis Ramos, on which occasion it was proposed that Medellin become Cienfuegos' twin city. The Cuban delegation was also received by Antioquia Governor Juan Gomez, who, like Mayor Ramos, was accompanied by the secretaries in charge of the various sectors in that region of northwestern Colombia. At that meeting, the possibilities for expanding cooperation in the field of sports, in which three Cuban trainers have been working for some time, were examined, as well as in the fields of health, education, and the scientific/technical sphere.

Matanzas Crime Rate High Despite Surveillance Units

FL1602210694 Havana Radio Rebelde Network in Spanish 1800 GMT 16 Feb 94

[Text] Approximately 80 percent of the members of the agroindustrial production, credit, and services cooperatives in Matanzas Province belong to the 174 peasant surveillance detachments in that province. More than 9,200 members of the National Association of Small Farmers [ANAP] participate in the surveillance of livestock and cultivated areas, and 1,250 assist the police as volunteers.

Despite all this, crime rates in rural areas are still high. In the second half of 1993, 330 crimes were reported, of which only 50 percent were solved.

Roundup of Criminal, Judicial Action

FL1602140994

[Editorial Report] The following is a compilation of fileworthy reports on criminal activity and related judicial actions in Cuba carried on Havana radio and television in Spanish between 7 and 16 February.

Radio Progreso at 1200 GMT on 7 February reports that after two senior citizens were killed on 31 December in Centro Habana Municipality, rumors creating a distorted view of the events began to circulate. Foreign radio stations directed towards Cuba, discrediting the international image of the Revolution, claimed that in Cuba there is no security for citizens who receive dollars from relatives in the United States; they are vulnerable to attack and even murder by criminals trying to rob them.

To clarify events, Radio Progreso interviews First Lieutenant Alberto Molina Perez of the homicide department of the provincial unit of police operations in Havana City who was in charge of the investigation.

Molina Perez states that on the evening to 31 December, the Havana City homicide department received word that a double murder had been committed. The victims were Santiago Martinez Hernandez, 85 years old, and Eliodora Josefina Suarez Ramos, 83. Clues, including fingerprints, led to the identification of persons suspected of this crime which, according to the announcer,

is uncommon and caused great consternation among the people. During the investigation, one of the suspects confessed.

According to Molina Perez, the prompt response of the police allowed the case to be solved quickly. The two suspects, Elmis Barbaro Villaluz and Rolando Raul Diaz Vina, are unemployed and have criminal records. They are being held and in the near future will be tried for murder. Under the penal code, sentences can range from 15 to 20 years' imprisonment to the death penalty.

Radio Progreso at 1200 on 9 February reports that Cuba plays an active role in the fight against drug trafficking. Several foreigners have been arrested transporting drugs within Cuban territorial waters attempting to smuggle drugs into U.S. territory, which were later incinerated under official supervision.

An example of the efficiency of the National Revolutionary Police in its fight against drugs is the case of a man in Havana City who was arrested for growing marijuana in his back yard. According to Detective Pablo Ibarra Martinez, Alejandro Valdes Friel from Cerro Municipality was arrested for growing 62 marijuana plants in his back yard and for the possession of ten packages of the drug in his home. After being arrested, Valdes confessed that he had the plants for his own consumption. Investigators determined that he had been carrying out this activity for several years and had been previously arrested for the same crime. The suspect is currently in jail charged with the possession of toxic drugs. This crime can carry a sentence of from three to eight years in prison.

Radio Progreso at 1200 GMT on 16 February reports that police charged Cesar Carrerano Ramil, head of the wholesale food distribution department in Havana, and Angel Gustavo Landin Otero, a driver, with stealing 64 sacks of rice for resale at profitable prices. Carrerano Ramil and Landin Otero were sentenced to seven years' imprisonment, while their five accomplices were sentenced to five years' imprisonment. They will pay the Cuban state 1,280 pesos for the rice not recovered.

Correction to Cienfuegos Tours Trinidad Facilities

FL1602221594

The following correction pertains to the item headlined "Osmani Cienfuegos Tours Trinidad Tourism Facilities," which appeared in the 16 February Latin America DAILY REPORT, page 6: Column one, paragraph one, sentence one, please make read: ...by Politburo member Osmany Cienfuegos Gorriaran. The... (correcting spelling of Cienfuegos' first name here, in headline, and throughout item)

Haiti

'Military Source' Reports Clash With Civilians 2 Feb

PA1602203994 Paris AFP in Spanish 1814 GMT 16 Feb 94

[Text] Port-au-Prince, 16 Feb (AFP)—A Haitian military source told AFP on Wednesday, 16 February that on 2 February there was an incident between a military detachment and some 20 armed men, allegedly supporters of deposed president Jean-Bertrand Aristide, in southern Haiti near Les Cayes city,

According to the source there was a shoot-out, then the armed men, who are being sought, abandoned their weapons, including three M1 rifles and ammunition. The incident took place near the village of Chantal in the area near Les Cayes, approximately 200 km southeast of Port-au-Prince.

Three exiled Haitians who returned clandestinely to the country were training young men from the rural area of Le Petre when they were discovered by a reconnaissance patrol that turned into a "combat patrol" acting on a tip, according to the same source. No soldiers were wounded, and there is no information on casualties on the other side.

The plan to train for an armed struggle is part of "Operation Iron Cuts Iron" to liberate the country that was announced by Aristide from Washington in his new year's message to Haitians. The Army recently began conducting raids to counter the plan in the metropolitan region of Port-au-Prince. So far six firearms have been seized, including two rifles with telescopic lenses, and some arrests have been made, the military source noted.

The same source added that the situation in Les Cayes, where similar incidents have occurred since President Aristide went into exile in 1991, is "perfectly under the control of the local military command." In the opinion of this source, last Saturday's blaze, which destroyed oil products clandestinely stored in a low-income neighborhood in Port-au-Prince, "could be the act of a criminal hand to bring about an increase in fuel prices and worsen the crisis."

Senate President Withdraws From Washington Negotiations

FL1602172594 Port-au-Prince Radio Tropic FM in French 1200 GMT 16 Feb 94

[Text] We have learned from a reliable source that the negotiations under way in Washington about the Haitian crisis are stalled, reportedly by divergence among the participants as to the strategy to be adopted for a settlement of the political situation in Haiti. On 14 February in Washington, the United States and partisans and adversaries of Haitian President Jean-Bertrand Aristide offered him a new plan to resolve the Haitian crisis by forming a government of national concord without

providing an exact date for the return to Port-au-Prince of the president overthrown by military forces in September 1991.

Sources at the State Department assert that this plan is a variant of the abortive agreement signed last July in New York between Aristide and the chief of the Haitian Army, Lieutenant General Raoul Cedras. That agreement secured an honorable way out for the putschists, including Gen. Cedras and Police Chief [Lieutenant] Colonel Joseph Michel Francois. This plan, drafted by six Haitian parliamentarians including Chamber of Deputies President Frantz Robert Monde and Senate President Firmin Jean-Louis, provides for the appointment by President Aristide of a new prime minister, supported by all political parties, to succeed Robert Malval who resigned on 15 December. Last week, the president refused to appoint a new prime minister, fearing that he would be assassinated. We do not know whether he has changed his mind on this matter.

Exiled Haitian President Jean-Bertrand Aristide rejected on 15 February the plan proposed by the Haitian parliamentary delegation, which was designed to create a government of national concord. Aristide asked the international community to reinforce the embargo against Haiti. The chief of state said in a handwritten statement that he would be irresponsible if he were to appoint a new prime minister, as requested by the parliamentary delegation supported by the United States, as long as the military who overthrew him in September 1991 do not resign as specified in the Governors Island agreement.

President Aristide has expressed doubt as to the representativeness of the Haitian delegation and has purely and simply asked for the implementation of the Governors Island agreement, which provided for his return to Port-au-Prince on last 30 October after the resignation of the authors of the military coup d'etat. Any political vacuum existing in Haiti since the resignation on 15 December of Prime Minister Robert Malval is due to the fear that affects the entire country because of the military oppression. The government will appoint a prime minister as soon as the leaders of the military coup are dismissed and replaced by officers who obey civilian authority, President Aristide wrote.

Furthermore, we have learned that Senate President Firmin Jean-Louis has provisionally withdrawn from the negotiations going on in Washington about the Haitian crisis. These talks, which could turn into true negotiations, should end up in a proposal for a way out of the crisis. The senator, however, says that to be viable this solution must take into account all sensitivities and political commitments represented in the parliament because all solutions must be accepted by the parliamentary blocs for implementation. The parliamentary delegation as now composed is not at all representative. Sen. Jean-Louis has provisionally withdrawn until, with the organizers of the meeting, he can take measures to ensure a better representation of the Haitian parliament.

Kidnapped Governor Interviewed 'Hours' Before Release

PA1602132594 Mexico City XEW Television Network in Spanish 0435 GMT 16 Feb 94

[From the "24 Hours" newscast]

[Text] This humble shack became the home of former Chiapas governor General Absalon Castellanos, whom the Zapatist guerrillas kidnapped at the start of the conflict. Just a few hours before his release, Univision was able to obtain this exclusive interview somewhere in the jungle.

[Begin Castellanos recording] They told me to accompany them, and I went with them. By then they had blindfolded me and tied my hands. I remained that way in different places. I cannot tell exactly where, I couldn't tell until I got here. He [not further identified] held me responsible for these things, in addition to the death of leader Angulo [not further identified] when I served as governor. I could not answer those accusation. He said I knew.... [end recording]

Looking aged and with a humble voice softened by his days in captivity, the former governor now says he understands why violence broke out in Chiapas.

[Begin Castellanos recording] I do agree that social injustice really exists. Obviously they are greatly removed from civilization and there was this outburst. The outburst could have taken another form since the government has been willing to resolve all these problems. I hope the problem is resolved soon and that we think of ourselves as brothers, Chiapas residents, all of whom bear responsibility for this situation. [end recording]

EZLN on Castellanos Release, War Tax Suspension

PA1602134294 Mexico City XEW Television Network in Spanish 0435 GMT 16 Feb 94

[Telephone report by Juan Sebastian for the "24 Hours" newscast]

[Text] [Sebastian] Here is a three-point communique that has just been issued: 1. To contribute to the prompt start of the dialogue for peace with dignity that all Mexicans want, and as a sign of the sincere willingness of the EZLN [Zapatist National Liberation Army], we hereby announce that on Wednesday, 16 February 1994, Division General Absalon Castellanos Dominguez will be released.

2. General Castellanos is to be handed over to Manuel Camacho Solis, commissioner for peace and reconciliation in Chiapas, and intermediary Father Samuel Luis Garcia in Guadalupe Tepeyac, Las Margaritas Municipality, Chiapas. Gen. Castellanos Dominguez' health at the time of his release must be verified by medical personnel of the International Committee of the Red Cross.

3. To contribute to detente in the conflict area during the time the dialogue for peace with dignity is held, the EZLN Clandestine Committee announces its decision to suspend war tax collection in areas under the control of our troops effective 17 February 1994.

That is the communique.

[Anchorman Jacabo Zabludovsky] This will happen in Guadalupe Tepeyac, but no time has been given?

[Sebastian] The time was not given. The town is approximately five hours from San Cristobal de las Casas.

EZLN Release Former Chiapas Governor

PA1702033394 Mexico City Radio ACIR Network in Spanish 0030 GMT 17 Feb 94

[From the "Vecto 21" newscast]

[Text] General Absalon Castellanos Dominguez, former constitutional governor of Chiapas State has been released. It was shortly before 1800. It was becoming dark in Chiapas State and in the rest of Mexico.

Absalon stepped onto a rural road escorted by four or five members of the Zapatist National Liberation Army [EZLN]. He was received by an International Red Cross [IRC] official who then led him to Manuel Camacho Solis, commissioner for peace and reconciliation; and to Bishop Samuel Ruiz, the mediator in this conflict.

This has been the first step that sets the basis for what could become a dialogue for reconciliation and peace in Chiapas, for a dialogue in Chiapas.

Absalon Castellanos has been in contact with the media. More than 250 journalists left early from San Cristobal Las Casas to be at a point on the door step of the Lacandon jungle. This is what Castellanos said:

[Begin recording] [Castellanos] The IRC has just given me a medical examination. I want to say that I wish to see Chiapas in peace and calm, with everybody working for progress.

[Ruiz] Several persons were unable to see the sequence of events here. Mr. Manuel Camacho Solis came earlier and the Red Cross preceded us adequately. Both of us, Camacho Solis and myself, witnessed the thorough examination that the IRC conducted on General Castellanos, whom we have found to be in better health than ourselves.

General Castellanos himself has affirmed that he was treated well and that he is in good health, and we have verified that. The Zapatist Army delivered the general to Dr. Meyer, of the IRC. Dr. Meyer then delivered the general to me, and I delivered General Castellanos to Camacho Solis who now will take the general to his family, if this is what is decided.

I have proposed administering the ashes now since today is Ash Wednesday and it is also the day this event has taken place. We will do it in a symbolic fashion. [end recording]

This is what happened a few minutes ago in Guadalupe Tepeyac, Chiapas State.

The general has been delivered to his relatives. Some of his closest relatives were present for this undoubtedly moving ceremony. The general and his wife, Elsy Herreria, embraced each other. Their children, Absalon and Oscar, who is an Institutional Revolutionary Party delegate in Quintana Roo State, received the former state governor with tears in their eyes.

Camacho Solis and Bishop Ruiz will go with Castellanos to a military post where a helicopter is waiting to take them to a hospital. [Paris AFP in Spanish at 0051 on 17 February reports that the guerrillas announced that as of Thursday they will stop collecting the war tax "in the locations where it has been implemented" in the State of Chiapas, as "an additional action to create an appropriate climate" for the dialogue.]

Peace Commissioner Comments

PA1702043894 Mexico City Radio ACIR Network in Spanish 0030 GMT 17 Feb 94

[Statement by Manuel Camacho Solis, peace and reconciliation commissioner for Chiapas State, in Guadalupe Tepeyac, upon the release of former Chiapas State Governor Absalon Castellanos Dominguez on 16 February; from the "ACIR Radio News" newscast—recorded]

[Text] First, I want to thank the men and women of Guadalupe Tepeyac for receiving us with an open heart. Thank you for your warm welcome. I also want to say the Zapatist National Liberation Army has fulfilled its commitment.

I want to state my opinion on this important moment in Guadalupe Tepeyac. We are confirming that policies based on principles are the best road for resolving conflicts and problems.

This result would not have been achieved through violence. Reason and the search for peace and reconciliation are stronger. This is only one step, but it is a firm step on the road for peace and reconciliation. I think we all here today have learned much; both sides have. The main significance is we all want an honorable peace for the men, women, and children of Chiapas and Mexico. Viva Mexico!

PRI, PAN Members Clash in Chiapas; 40 Injured

PA1602161194 Mexico City XEW Television Network in Spanish 0435 GMT 16 Feb 94

[Report by Susana Solis from the "24 Hours" newscast]

[Text] A confrontation between members of the National Action Party [PAN] and the Institutional Revolutionary Party [PRI] resulted in some 40 people injured in Copainala, Chiapas. Four persons had to be hospitalized.

The incident occurred when PRI supporters tried to dislodge PAN members who had seized the municipal palace to demand the removal of Mayor Maurilo Cortazar Aguilar from the municipal presidency. The PRI members organized a march through several streets of Copainala to express their support for Cortazar. Once they reached the municipal building, they tried to dislodge the PAN members. The PAN members repelled the aggression and left the building following the squabble.

The state government has appointed deputy commissions to conduct audits in municipalities such as Tuzantan, Huehuetan, and Teopisca, where conflicts exist and where municipal palaces have already been vacated.

The Chanal municipal palace was seized by people demanding the mayor's removal. In Cacahoatan, there was a sit-down strike in front of the municipal palace today. In addition, peasant organizations have taken over at least 100 farms in several municipalities.

Government To Request Suspension of U.S. Border Measures

PA1602204294 Madrid EFE in Spanish 1758 GMT 16 Feb 94

[Text] Mexico City, 16 Feb (EFE)—Foreign Secretary Manuel Tello said today the Mexican Government will ask the United States to suspend or modify the new immigration measures which are expected to harden the actions against illegal Mexican immigrants.

Tello underscored that Mexico wants an end to the U.S. Border Patrol's xenophobia against illegal Mexicans and it wants respect for the human rights of immigrants, regardless of whether they are legal or illegal.

The U.S. Government on 3 February released a new immigration program to control the crossing of illegal Mexicans through the border between the cities of Tijuana, in northwestern Mexico, and its neighbor, San Diego, in the United States. The measures include the incorporation of 1,010 Border Patrol officers, construction of double walls along the dividing line, the installation of sophisticated equipment to detect illegals, and the deportation of illegal criminals.

"The Mexican Government remains concerned about the hardening of the measures against immigrants in the border area, because the problem will only be resolved in the long term and with specific rather than police measures," the foreign secretary said.

On 8 February, Tello met with U.S. Attorney General Janet Reno, who informed him of the measures her government has decided to take. Tello indicated that the

Mexican Government is analyzing the measures announced by its neighbor and those already implemented along the 3,000-km border because they cause "permanent irritation in bilateral relations."

The request for the modification or suspension of the measures will be presented during a bilateral Mexican-U.S. meeting to be held in Neuvo Laredo, Mexico, on 7 March.

According to researchers of the Northern Border College [Colegio de la Frontera Norte], at least 150,000 illegal Mexicans annually cross the border into the United States in search of better job opportunities. The researchers said the city of Tijuana, Baja California, is the area through which 80 percent of the Mexican illegals cross, although they are generally arrested and deported to Mexico in their initial attempts.

Costa Rica

Facio Resigns, Briefs Figueres on Relations With U.S.

PA1702023194 San Jose LA REPUBLICA in Spanish 11 Feb 94 p 6A

[Report by Jose Alberto Briceno]

[Text] Ambassador [to the United States] Gonzalo Facio yesterday submitted his resignation to President Calderon given the imminent conclusion of this administration and to allow "his successor to choose a person that is politically and personally close to him as my replacement."

Although the letter states the resignation is effective 8 May, Ambassador Facio told LA REPUBLICA he will leave his Washington post "late in April or early in May." Facio is currently in the country. He participated in the elections here and will return to the U.S. capital on Sunday.

Facio explained he met with President-elect Jose Maria Figueres on Thursday to review Costa Rica's relations with Bill Clinton's administration, and to review challenges the next government will have to face in this regard. The meeting was requested by Figueres, to whom Ambassador Facio explained that discussions on the laws concerning the Uruguay Round are still pending and are "extremely important." Furthermore, the next government must follow up the proposal to extend the free trade agreement between the United States, Mexico, and Canada to include the Caribbean zone. The dispute with the U.S. Embassy over expropriations of U.S. citizens' properties will be another inheritance for Figueres, Facio emphasized.

El Salvador

Education Minister Outlines Plan for Peace Policy

PA1602195894 San Salvador LA PRENSA GRAFICA in Spanish 12 Feb 94 p 12

[Text] Yesterday Education Minister Cecilia Gallardo de Cano announced that the government intends to create peace policies through cultural and education projects financed by the United Nations. Their content and implementation will be decided on by the nation's economic, political, and social sectors.

Since the end of armed conflict, society has demanded that violence be put behind us and that an irreversible procession toward peace and national reconstruction be enjoined, she noted.

The official explained that the Education Ministry, in conjunction with UNESCO, will consult with government and nonofficial institutions to assess Salvadoran reality.

That document would justify the financing offered by UNESCO—that totals approximately $32.7 million—to implement specific projects in education, cultural, and communications sectors, the education minister commented.

The economic cooperation is conceived within the Peace Culture Program in El Salvador fostered by the international organization to erase the experiences lived during the 12-year war and to define a strategy for peace.

Gallardo Cano said: "The idea is to permanently sustain the peace process and to reinforce the reintegration of former fighters into productive life, with the help of these same participants."

The education minister explained that the ministry will design projects to strengthen democracy and to teach respect for diverse ideological tendencies and human rights.

The official disclosed the details of the Peace Culture Program to productive sectors, nongovernment institutions, cooperatives, and intellectual and artistic associations during a meeting at the Planning Ministry's auditorium.

The program will be initiated with the First International Forum on the Culture of Peace to be held from 16 to 18 February in a capital city hotel.

Foreign Minister Says U.S. Major To Face Court Martial

PA1702012994 San Salvador LA PRENSA GRAFICA in Spanish 16 Feb 94 p 3

[Text] Foreign Minister Angel Salaverria said yesterday U.S. Major Ismael Lopez, accused of murdering his bodyguard, will face a court martial in the United States within 60 days.

The Foreign Minister explained: "They have invited the Salvadoran Attorney General's Office to be present at the trial and have asked our investigating units to participate with their U.S. counterparts."

The foreign minister said the U.S. Embassy is aiding the relatives of Jose Crescencio Diaz, the bodyguard murdered on 21 January in Soyapango.

The U.S. officer left El Salvador almost immediately after Diaz' death. This moved the Salvadoran Government to send a protest note to the U.S. Government asking for penalties for whoever was responsible of violating Salvadoran immigration laws.

On another issue, the foreign minister said it is expected El Salvador will be taken off the list of countries that violate human rights by the end of February or the beginning of March.

Reportedly the UN Human Rights Committee, which is meeting in Switzerland, will be adopting this decision.

The official said a group of Salvadoran experts is participating in that meeting and, if necessary, he would return to Switzerland to be present for the voting.

Salaverria said: "As a result of the signing of the peace agreements, human rights violations that were a product of the war dropped considerably, and the country's situation looks different."

Foreign Minister Salaverria said he has sent letters to the countries that are members of the commission to help in taking El Salvador off a list "on which we should not be listed."

Ruling, Opposition Parties View Atwood Speech

PA1702043594 San Salvador Canal Doce Television in Spanish 0319 GMT 17 Feb 94

[Report by Edwin Gongora; from the "Up to Date" newscast]

[Text] A number of congressmen have expressed opposing views concerning the speech delivered by Dr. Bryan Atwood, [special envoy for the U.S. secretary of state and worldwide administrator of AID]. While opposition deputies view the U.S. warning as a wake-up call for the government to adopt a firm stand against the promoters of violence, Arena [Nationalist Republican Alliance] Deputy Gloria Salguero Gross says the violence has its origins in the past.

During his speech to the congress, Atwood said that friendly countries are concerned about the escalation of violence reported over the past few days in El Salvador. Nevertheless, Salguero Gross said that incidents reported thus far have been isolated cases that should not be sources of concern.

[Begin Salguero recording] I believe the irrational events that have taken place lately are normal following the violence our country has experienced. However, each and every Salvadoran should take an interest in putting at a distance those individuals who still have sick minds and destructive thoughts. [end recording]

Meanwhile, the opposition takes a different view. In their opinion, Atwood's warning exposes the government's lack of interest in resolving the violence issue and in severely punishing the perpetrators of violent acts which, in the opinion of many deputies, may block economic aid to El Salvador if it is not resolved in a timely manner.

[Begin recording] [First unidentified congressman] The government has shown a lack of interest in resolving the problem. There are such cases as the National Civilian Police and the violence that prevails among political party members. It is obvious that the government has much to do in this area.

[Second unidentified congressman] It is up to the government to pay attention to this issue and to attempt to counteract any form of violence, regardless of where the perpetrators may be or the level of influence they may have in the decisionmaking process. [end recording]

Over the past few days there have been attacks on members of political parties, which have heightened fears of an escalation of violence that could hamper the political campaigns which, up until early February, remained normal.

Guatemala

State Workers Demonstrate for Salary Increase

PA1602221894 Guatemala City SIGLO VENTIUNO in Spanish 15 Feb 94 p 12

[Text] State workers leader Armando Sanchez said on 14 February that state workers staged a peaceful demonstration to demand that the government give them a 40-percent salary increase, and reiterated their decision to call for a general strike on 18 February. Sanchez added that the union members pointed out that their demands are fair and necessary in light of the Guatemalan economy's inflation rate.

Workers noted that in the past weeks, the prices of basic necessities have experienced a significant increase to the detriment of family finances. Price increases for basic necessities combined with the increase in rural transportation fares and fuel have affected the poorest families. With the increased prices for widely used products, in addition to higher interurban transportation rates and fuel prices, the hardest hit are Guatemalan families who do not have and are unable to obtain the necessary funds to survive.

The government employees march began at 1000 and covered the main streets and avenues of Guatemala City. The demonstrators carried banners and posters with antigovernment slogans. Standing across from the National Palace, the state employees chanted: "Ramiro you are submissive, you grabbed a rifle; Ramiro you are submissive, you grabbed a rifle," and they subsequently took up positions at the building's main entrance. The guards closed the doors to prevent any incidents.

The demonstrators eventually withdrew voluntarily but gave assurances that their activities and demonstrations will continue until De Leon Carpio meets the state employees' demands.

Preparation To Fire Workers

PA1702010594 Guatemala City SIGLO VEINTIUNO in Spanish 15 Feb 94 p 15

[Report by Carlos Castanaza Rosales]

[Text] During a cabinet meeting held yesterday at the Presidential House, the head of state ordered all his ministers of state to begin pertinent proceedings so the respective documentation is prepared for those people who do not work. These documents will immediately follow the

appropriate administrative procedures through the Attorney General's Office, according to each case.

The public sector's suspension of activities, and their negative repercussions for the population with less economic resources, was one of the leading issues reviewed during the meeting, according to statements made by government officials and presidency spokesman Felix Loarca Guzman.

Loarca Guzman said the Executive Branch is still particularly inclined toward a dialogue, which was the intention since the beginning, and the documents which certify workers have abandoned their jobs are simply part of the usual legal proceedings.

Meanwhile, labor leaders like Luis Lara, of the Health Workers' National Assembly [Asamblea Nacional de Trabajadores de Salud], maintain their position concerning the legality of their measures and the fairness of their requests; adding that the Executive Branch has yet to fulfill their demands although they participated in a dialogue.

Hector Luna Troccoli, secretary general of the presidency, reported that in the case of labor stoppages decreed without meeting the legal requirements, the Civil Service Law and Labor Code are applicable—the latter in a supplementary manner—aside from a specific decree which regulates the workers' right to go on strike.

URNG Says Army Preparing Military Offensives

PA1702035894 Hamburg DPA in Spanish 2140 GMT 16 Feb 94

[Text] Mexico City, 16 Feb (DPA)—The Guatemalan Army is allegedly preparing to launch "strong military offensives" in the main conflict areas of that Central American country, according to statements made today in the Mexican capital by the Guatemalan National Revolutionary Unity (URNG).

The coalition of guerrilla organizations did not provide details of the alleged military plans but said they are displaying "the absence of political will at the military staff" regarding the next round of peace negotiations scheduled for March.

While accusing the Army of seeking a "military solution" to the Guatemalan crisis, the URNG reiterated "only through negotiations can a firm and lasting peace with social justice be built in Guatemala."

Honduras

Seven Nationals File Suit Against U.S. Army

PA1602205294 Tegucigalpa EL HERALDO in Spanish 16 February 94 p 9

[Text] Olanchito, Yoro—It was officially announced yesterday that seven persons, who were victims of explosions caused by grenades left behind by the U.S. Army in this village, filed a suit against the U.S. Army with the local Criminal Trial Court.

The U.S. Army has been participating in joint activities with Honduran Armed Forces on Honduran territory for a long time. These activities include specifically military civic action and the construction of roads and landing strips.

Raul Enrique Funez Santos was killed by a grenade explosion because he took a grenade home after finding it on the road. According to Funez Santos' relatives, the victim took the fuse from the grenade, which, in addition to killing him, injured those who were around him at the time of the explosion.

In the suit filed with the courts, the U.S. and the Honduran Armies are accused of homicide and injuries caused by explosive devices that were left behind in the area where they had conducted military operations in May 1993 in the village of Puntillas, in Olanchito, Yoro.

The plaintiffs are Maria Josefa Antunez, Lucrecia Rosales on behalf of the minor Maribel Melendez, Edin Martinez, and Mario Denis Rosales, all residents of Puntillas. Another group of plaintiffs includes Santos Diaz on behalf of his youngest son Rigoberto Villafranca Diaz, Enit Yovani Garcia Zelaya, and Juan Francisco Tejeda on behalf of his youngest son Juan Francisco Tejeda, who live in El Carril, Olanchito.

It was learned that the suit is basically against the Honduran Government because, according to the Executive Branch, National Congress authorities were the ones to approve operations of this type.

The explosion that killed Funez Santos injured the following: Maribel Melendez (11), Edin Marina Martinez (31), Mario Denis Rosales (19), Maria Josefa Antunez (31), Rigoberto Villafranca (17), Enit Yovani Zelaya (23), and Francisco Tejeda (11). Villafranca lost his left eye and part of his left foot. According to witnesses, Funez Santos and his brothers Denis Yovani and Francisco Alexis found seven grenades that were used by the U.S. and Honduran Armies and took them home.

It was reported that the suit was filed through the Committee for the Defense of Human Rights in Honduras.

Nicaragua

German Vice Chancellor: EU Banana Quota 'Detrimental'

PA1602230694 Panama City ACAN in Spanish 2027 GMT 14 Feb 94

[Text] Managua, 14 Feb (ACAN-EFE)—German Vice Chancellor Helmut Schafer said here today, Monday, the quotas for the importation of Latin American bananas imposed by the European Union (EU) "is a measure that is detrimental" to the producer countries of America.

"The German Government's position is widely known, as we oppose that EU decision," said Schafer, making

statements to the press after meeting with Nicaraguan President Violeta Chamorro.

The German vice chancellor, who arrived in Managua the night of 13 February for a three-day visit to this country, mentioned that Germany filed a recourse last year at the former European Community Court of Justice requesting that the application of the trade quota for bananas be suspended.

The new EU import regulations, effective since July 1993, set the Latin America importation quota at 2 million tons (108 million boxes), 500,000 less than the previous year.

"The German Government opposes this kind of EU decision and has filed a recourse at the Court of Justice to revoke it and rebroaden the markets for bananas, which is something we want," Vice Chancellor Schafer said. He did not comment on the recent GATT ruling condemning the importation quota, however.

The Union of Banana-Exporting Countries (UPEB), which consists of Costa Rica, Nicaragua, Venezuela, Panama, Guatemala, Colombia, and Honduras, termed the GATT resolution as important, because it allows the strengthening of its position to seek a compatible commercial agreement between the EU and Latin America.

Panama

Editorial Advises Caution in U.S., Japanese Relations

PA1602205194 Panama City EL SIGLO in Spanish 16 Feb 94 p 2

[From the "Forum" column]

[Text] The prevailing tension that borders on economic warfare between the United States and Japan places our country in an extremely delicate situation that prompts us to conduct ourselves with the utmost caution lest we harm the ties that bind us to the two nations that are now at odds.

Indeed, the long-standing ties that bind us to the United States must be carefully maintained and advanced, mostly because the treaties that will make the Panama Canal entirely our responsibility will soon go into effect. Now would not be the most appropriate time for any cooling of the relations we have maintained from the birth of our Republic to date. In addition, any shift on our part against the northern nation would prompt an immediate reaction from the U.S. side that could only bring negative consequences for us. On the other hand, Japan is a major canal user, not to mention the fact that we are linked to them by a treaty on alternatives to the Canal, whether it leans toward the construction of a sea level canal or a third set of locks. A cooling of our many ties with such an important ally that also maintains immense commercial relations with our country would not be advisable for us, either. Circumstances such as those mentioned above demand from our government, mainly our Foreign Ministry, a cautious, intelligent, and evenhanded attitude to conduct our relations with the two nations as if on a razor's edge. Otherwise we would run the risk of leaning too heavily on one side to the detriment of the other, which would really mean acting against ourselves.

Argentina

Defense, Air Force Dispute Threatens Skyhawk Purchase

PY1602184794 Buenos Aires CLARIN in Spanish 15 Feb 94 p 5

[Text] The crisis between the Air Force and the Defense Ministry resulting from the purchase of the 36 Skyhawk planes is jeopardizing the operation that represented the end of the U.S. weapons embargo imposed on Argentina.

Disagreements between the Air Force and the ministry headed by Oscar Camilion originated with the ministry's decision to assign the Lockheed company the task of repairing and electronically equipping the planes (half of them at the Military Aircraft Factory [FMA] in Cordoba). The ministry thus overlooked prior contracts for these services that already had been signed with the U.S. Navy and Smith Industries and the $3.3 million that already had been paid to them.

Brigadier Juan Paulik, chief of staff of the Air Force, now is studying the possibility of suspending the purchase if Lockheed takes more than 23 months to deliver the planes or fails to equip them with the same electronics and radar equipment authorized by the U.S. Government.

Although the Defense Ministry decision has yet to be made official, Military Affairs Secretary Jorge Baeza on 14 February adopted a measure that made the decision evident: He forbade Brigadier Ruben Zini to travel to the United States before consulting Paulik. Zini's trip to the United States was contemplated in the prior contracts signed with the two selling companies.

Friction between the Air Force and the Defense Ministry is based on the purchase of 36 Skyhawk fighters and the difficulty in equipping them with high-technology radars, which was a result of British pressure on the United States to prevent Argentine military rearmament.

The government deemed the U.S. Navy's decision to sell the planes with the radar equipment Argentina had requested as a victory. After months of tough negotiations, the Argentine Government saw, with satisfaction, that the British pressure was rendered without effect. Minister Camilion elatedly said on 1 February: "The weapons embargo is over."

The Air Force decision not to purchase the Skyhawks now would not only ruin an operation resulting from careful military, commercial, and diplomatic negotiations, but also destroy the political victory resulting from the U.S. Government decision to sell the Skyhawks with high-technology equipment.

This tension began last September when the Air Force and the Defense Ministry decided to give the U.S. Navy (which sells the planes) and Smith Industries the task of repairing the planes and equipping them with modern electronic equipment, at an overall cost of $250 million, which will be divided almost equally between the two. Thus, the Lockheed and McDonell-Douglas companies were left out of the deal.

Notwithstanding, by mid-January Lockheed made a tempting proposal: To buy FMA and transform it into a plane repair center for South America. In exchange, it demanded to be given the contract to repair and equip the Skyhawks, although it promised to perform 50 percent of the work at the FMA in Cordoba.

This proposal has divided the Defense Ministry and the Air Force. While Camilion's people support the Lockheed proposal with enthusiasm in view of the possibility of reactivating FMA, the Air Force bluntly refused it.

In a report handed to the ministry by Paulik the proposal is rejected for many reasons. Here are some of them:

—The planes' delivery will be delayed two years longer than planned if they are repaired and equipped in Cordoba.

—Confidence in the materials used in the Cordoba plant will be less.

—A landing strip for the Skyhawks will have to be built at the Cordoba plant because it does not have one.

In addition, the Air Force is concerned about its future relations with the [U.S.] Navy. According to Paulik's report, the Air Force will lose credibility if it goes back on something already agreed upon.

Defense Minister Mediates Agreement

PY1702114094 Buenos Aires CLARIN in Spanish 16 Feb 94 p 14

[Article by Omar Baez]

[Excerpts] Calm has returned following the strong pushing and pulling between the Defense Ministry and the Air Force over equipping and repairing the 36 Skyhawk planes. Defense Minister Oscar Camilion proposed a consensus agreement. Military Affairs Secretary Jorge Baeza and Planning Secretary Guillermo Etchechouri are responsible for its implementation. Thus the confrontation between the U.S. Navy on one side, and Smiths Industries and Lockheed is resolved.

The two secretaries yesterday met with Brigadiers Ricardo Zini and Ricardo Coletti to discuss the participation of Lockheed in the deal without delaying the planes delivery schedule. This was the condition imposed by the Air Force, which considered recommending not purchasing the Skyhawks if the delivery of the planes was delayed for more than 24 months. [passage omitted]

Faced with those arguments Camilion managed to find the solution: He will not completely remove from the U.S. Navy the business of repairing the planes, he will give some participation to Lockheed. Smiths Industries and with the other companies in charge of the electronic

equipment of the Skyhawks will also participate. This solution has the endorsement of U.S. Ambassador James Cheek.

Following the decision by the U.S. Navy and Smiths Industries to share part of their business, Lockheed finds itself participating in an operation worth about 250 million pesos. Camilion's idea is to support the participation of the Military Aircraft Factory in Cordoba, as planned by Lockheed. The brigadiers do not agree. They want the planes quickly.

Military Opposes Investigation by Italian Court

PY1602205994 Buenos Aires CLARIN in Spanish
15 Feb 94 p 11

[Article by Luis Garasino]

[Text] The Armed Forces yesterday conveyed to the government their "concern and uneasiness" about the arrival of Italian court officials who are conducting a trial against Argentine military officers on charges of having kidnapped, tortured, and disposed of 65 Italian citizens during the National Reorganization Process days.

The military unrest was more clearly expressed in the report Lieutenant General Mario Candido Diaz, chief of the Armed Forces Joint Staff, handed yesterday to Defense Minister Oscar Camilion after consulting the heads of the three Armed Forces branches by phone.

Diaz reported to Camilion on a legal detail which, according to the military, nullifies the Italian court officials' procedures.

Military sources reported to CLARIN: "The situation has created intense uneasiness among military leaders, who are alarmed at the decision to reopen a process they believed to have been definitively closed. We reported this yesterday to the political branch."

Lawyers Marcelo Gentili and Giancarlo Maniga arrived in Argentina on 13 February. Judge Antonio Cappiello and attorney Antonio Marini are expected to arrive on 15 February. They will hear testimonies by 30 relatives of the missing Italians, while a trial of those who are allegedly responsible for their disappearence is being prepared in Rome.

If the Italian courts find the Argentine officers guilty, an international order for their arrest may be issued. Although such order is not applicable in Argentina, it will be complied with abroad.

According to the Convention for Legal Assistance on Penal Matters, which was signed by Argentina and Italy on 9 December 1987 and ratified by Law 23707 on 13 September 1989, the Italian court officials cannot conduct investigation in Argentina, but can act under federal government supervision. In this case, Federal Court Judge Gustavo Adolfo Literas will hear the witnesses' testimony and decide on the extent of participation in the lawsuit. This evidence may be given to the Italian court officials.

The Argentine military believe the government should only assist the Italian courts when these are investigating crimes perpetrated in Italy and not those committed in Argentina, where the Law of Expiration, the Due Obedience Law, and the Presidential Pardon Law have been enforced.

YPF Reportedly Bought Survey on Falklands

PY1602144094 Buenos Aires PAGINA/12 in Spanish
15 Feb 94 pp 2, 3

[Article by Maria O'Donnell from the Falklands Islands]

[Text] The Argentine Government was able to obtain the results of seismic studies made around the Malvinas Islands, which is the first step in the search for oil. The results were obtained through Roman Oil, a U.S. company stationed in Houston that was used as a cover by Government Oil Deposits (YPF) to buy the maps. According to a top source in the Malvinas government, YPF is the first and only oil company so far to pay $3.2 million for the seismic maps.

Great Britain approved legislation two years ago allowing the Falklands Islands Government to start seismic studies in the area. Argentina reacted by sending "letters of discomfort" [preceding three words in English] to oil companies warning them that any activities carried out in the waters around the Malvinas Islands without its consent could lead to a legal conflict in the future.

Without taking the threat into account, the island's government granted the license to carry out the studies to Geko Prakla (U.S. company) and Spectrum (British), which put the study results up for sale late last year.

This daily was able to learn that it was suspicious to the island's government that the first oil company interested in buying the maps was Roman Oil, an oil company never heard of before by the island's advisers, the British Geological Survey. This is why the Kelpers did not hesitate to put a good method of investigation into operation.

Since the islanders believed the seismic studies could be very valuable to Argentina, they started investigating from that side. The first thing they learned was that Gaffny Klain, a British consultant with an office in Houston that advises the Argentine Government on oil matters, had recommended the purchase of the survey made by Geko Prakla and Spectrum. But they were not able to learn much about Roman Oil, which has a telephone not listed in the Houston directory.

Finally, their links to the companies that carried out the seismic studies turned suspicion to reality: YPF was the real name of the mysterious oil company that bought the

maps, according to confirmation made unofficially by Spectrum and Geko Prakla to the Falklands Islands Government.

The Malvinas government gets a percentage of the survey result's sale.

There are no secrets on the island. A kelper said: "It is the type of community that when one goes to the supermarket and buys cereal the neighbor does not eat, he would come and ask if there is something wrong with your stomach." This is why the news spreads real fast among its 2,000 inhabitants.

Adviser Wendy Teggart said: "It is a rumor but it seems that YPF bought the seismic studies." But she immediately said it was true by adding: "It is better for us because if YPF decides to buy the license, it would mean a recognition in some way of the Falklands Islands Government's sovereignty over its waters."

When Great Britain began the search for oil in the islands without consulting Argentina, Foreign Minister Guido Di Tella said it would be impossible for Great Britain to continue the process on those terms because no oil company would risk millions of dollars in waters that are under disputed sovereignty.

The island's government members who were asked by this daily said that if there is indeed exploitable oil in large quantities, no international oil companies, and certainly not those that have no interest in Argentina, will be stopped by a juridical dispute. They said the first proof that business is more important than conflicts over sovereignty is the fact that the first company that bought the seismic studies was Argentina's YPF. At any rate, they said, this information will help the Argentine Government in the high-level meeting on hydrocarbons to be held with the Foreign Office late in March or early April in Buenos Aires.

The Argentine Foreign Ministry will say in the meeting that the search for oil will need cooperation between Argentina and the kelpers. This is what the government has been saying since the British went ahead with the seismic survey without consultation, which is the first, and most simple, and less costly step of the process.

The result of the survey involving a study of the terrain through probes was "optimistic." The survey said there may be oil in the islands. And the only way to prove it is to go ahead with the second stage: the exploration that involves drilling in territory claimed by Argentina and Great Britain.

Meanwhile, David Camp, the island's attorney general, is going ahead in drawing up legislation for issuing exploration and exploitation licenses. What happens is that because of the investment required in drilling exploration wells, the licenses that will be attractive to the oil companies are those that guarantee—if oil is found—their indisputable rights for 20 or 30 years for the third and last stage: exploitation.

The current subject of conversation among the kelpers is the possibility of finding oil in the islands. Their main concern is that the oil companies may damage the islands' ecological balance and cause massive immigration, changing the life style of their small community.

To answer this type of question, the islands government has recently contracted the services of the company Environment Resources Management (ERM), which within three months will deliver a report on the impact the discovery of oil would have on the islands. It also sent a delegation to the North Sea and began paying the salary of Alex Camp, an internationally known oil tax expert.

The possibility of discussing the oil issue with Argentina is not yet in the kelpers' plans. The only thing they are sure of is that YPF bought the survey studies, and that they will be absent in the discussions if the meeting on hydrocarbons between Argentina and Britain is held in Buenos Aires.

Details of Argentine-Chilean Oil Pipeline Reported

PY1602160794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1128 GMT 16 Feb 94

[Excerpts] Neuquen, 16 Feb (NA)—Argentine President Carlos Menem and his Chilean counterpart, Patricio Aylwin, have dedicated an oil pipeline of 425 km that will carry oil to Chile. This is the most important binational project between the two countries.

The oil pipeline will increase oil transportation to 120,000 barrels daily, which will represent $500 million a year of Argentine oil exports.

Chile hopes to save $25 million through the reduction of oil import costs by buying directly from Argentina.

The financing of the oil pipeline involved YPF [Government Oil Deposits], which provided 57.75 percent of the capital, the Bank of Rio with 30 percent, and the Chilean National Petroleum Enterprise (Enap) with 12.25 percent. [passage omitted]

Argentine Mining Secretary Alejandro Hales said the oil pipeline was built in 15 months with an investment of $220 million, and that "this is a clear example that borders are geographical divisions that should not separate but unite."

The pipeline will carry from 6,000 to 8,000 cubic meters of crude daily in the first stage and eventually will reach 17,000 cubic meters, about 100,000 barrels daily, that will be refined in Chile.

YPF President Jose Estenssoro said this "is the largest" project built by the two countries and "an important day" for the two.

Brazil

Franco Endorses Cardoso Candidacy, Dismisses Rio Events

PY1602235194 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 16 Feb 94

[Excerpts] During a samba parade in Juiz de Fora, Minas Gerais, on the evening of 14 February, President Itamar Franco spoke for the first time about the incident with model Lilian Ramos at Rio de Janeiro Sambodromo [Carnival parade ground]. [passage omitted]

He said: [Begin recording] I want my right to privacy as president and citizen to be respected. There was nothing wrong with what happened in Rio de Janeiro. It was just an outward show of merriment, a sign of esteem for Rio de Janeiro Carnival. I was invited by the chairman of the samba schools association and I attended the parade in my capacity as president of the Republic. And yet, I also attended it as a human being, as a citizen. Therefore, I do not see that I have done anything wrong. [end recording] [passage omitted]

He added: [Begin recording] For a year and a half we have been grappling with inflation, abject poverty, squalor. I would like to underscore that Finance Minister Fernando Henrique Cardoso has fulfilled his mission as a true patriot. Now, if he decides to run for the presidency, he will undoubtedly have my support. [end recording].

PSDB Awaits Cardoso's Decision To Complete Ticket

PY1502234094 Rio de Janeiro O GLOBO in Portuguese 14 Feb 94 p 5

[Article by Luiz Carlos Azedo, from Sao Paulo]

[Text] The PSDB [Brazilian Social Democracy Party] has been brought to a standstill awaiting a decision by Senator Fernando Henrique Cardoso; namely, whether he will run for the presidency or stay in office as finance minister until the end of Itamar Franco's administration. The party plans to field its own candidates in the country's leading states at the forthcoming general elections, but needs a decision to consolidate alliances in Sao Paulo, Rio de Janeiro, Minas Gerais, Espirito Santo, Bahia, Ceara, Rio Grande do Norte, Para, Goias, and the Federal District.

The PSDB leadership is confident of the upward trend in its popularity at last elections. Meanwhile, compromise agreements to establish alliances are waiting for the cat to jump. Only Cardoso's decision is missing to complete the PSDB tickets, as the names of the running mates and of the two candidates for the Senate have already been chosen.

Senator Jose Richa (PSDB-PR) [Parana] said the minister's decision is personal and will depend on circumstances. Now that the economic program has been approved, the economic situation and the management of the economic policy will decide Cardoso's position.

The former Parana Governor contends that if Cardoso chooses to stay in his post, the PSDB must seek an alliance with the PMDB [Brazilian Democratic Movement Party] and field Antonio Britto [PMDB-RS] [Rio Grande do Sul] as its presidential candidate, even though Orestes Quercia has already launched his candidacy to head the PMDB ticket. Richa says the so-called PMDB ethical group may support a PSDB candidate.

Exercising more caution, former Sao Paulo Governor Franco Montoro argues that the success of the program to curb inflation is far more important for the country than a discussion about a candidacy. Montoro believes that deciding who will be candidate can come later, and may very well not be Cardoso.

He said: We must discuss a program as the basis for our alliances. The party has other candidates: [PSDB Chairman] Tarso Jereisati, [Deputy] Jose Serra [PSDB-Sao Paulo], [Ceara Governor] Ciro Gomes, Jose Richa. [Senator Mario] Covas [Sao Paulo] is not on this list because his candidacy for Sao Paulo governorship is decided.

Senator Covas, PSDB leader in the Senate, is of the opinion that pressures exerted by the opposition and even from allies to drop Cardoso's name from the list of possible candidates are unacceptable.

He said: It is the party that decides when to field its candidate. Cardoso has the right to be a candidate and I am going to endorse his candidacy at the appropriate time.

Covas dismisses charges that the extension of the deadline for resigning from office in order to campaign for election to another public office seeks to favor Cardoso's interests. He said: We are against the proposal of Deputy Nelson Jobim [PMDB-RS], the constitutional revision rapporteur, concerning the re-election of the president and ending the need to resign from one office in order to run for another public office. The proposal to shorten the deadline for resigning from office is just a move of PMDB and PFL [Liberal Front Party] governors, and I am against it.

Covas, leader in the race for the Sao Paulo governorship according to public opinion polls, is in favor of alliances. He nonetheless believes the grassroots will expect the party to field its own candidate. He thinks it will be difficult to enter into alliance with the PMDB on account of Quercia's candidacy and the race in Sao Paulo. Covas rules out the possibility of reaching an agreement with the PFL.

This agreement with the PFL, which some members of Cardoso's team and some congressmen from both parties wish would come true, is only a dream because of the dispute between PSDB members and "Carlists"—followers of Bahia Governor Antonio Carlos Magalhaes.

Salvador Mayor Lidice da Matta said: I do not believe in this alliance which goes against the PSDB platform and the tradition of its members.

The PSDB has registered the greatest expansion since the last elections. It moreover has a charm that enables us to compete in the elections at all levels and throughout the whole country, she stated, adding that instead of an alliance with the PFL, she considers the party is much closer to the PT [Workers Party].

Lula Tries To Diffuse Internal Splits in PT

PY1602171294 Rio de Janeiro O GLOBO in Portuguese 14 Feb 94 p 3

[Article by Jose Luiz Longe]

[Text] Sao Paulo—Workers Party [PT] presidential candidate Luis Inacio Lula da Silva wants to use the political influence of his federal congressional bloc to free his government plan from the orthodox faction that controls the party. After taking a neutral position in the conflict caused by the national board's decision to veto the bloc's participation in the constitutional review, Lula decided to support the congressmen. During the meeting to be held with the national board on 17 February, they will try to ensure their right to autonomously choose the tactics they will use in the sessions in which the constitutional reform will be discussed.

Since the congressional bloc is an important tool to neutralize the radical arguments, the PT leadership believes that by meeting the congressmen's demands in this regard it can display the image of a less intransigent party and open the path to a more flexible program.

One of Lula's friends said: "The leaders' inflexibility can ruin everything."

The program drafted by radical PT members favors a moratorium, or suspension of payments on the foreign debt; compulsory rescheduling of the domestic debt; the end of privatizations (and reviewing the situation of some companies already privatized); and reactivation of military programs and re-equipment of the Armed Forces.

Believing that it will be difficult to win a two-stage election with this program, Lula thinks that it is fundamental to strengthen the congressional bloc for the debates on the government program. Regarding this program, however, the bloc is not as united as it was during the impasse resulting from the prohibition to participate in the constitutional review works. Deputy Jose Dirceu (SP [Sao Paulo]), for example, supports the idea of using the moratorium as a persuasive tool.

Dirceu, who is a member of the Articulation faction that supports Lula, said: "I do not understand why the right is so scandalized. Even Delfim Netto failed to comply with the agreements signed with the IMF while he was [economy] minister in the military regime. He then said that letters of intent were written to be torn up afterward."

Deputy Aloizio Mercadante (SP), who also is a Articulation faction member in addition to Lula's economic adviser, said a PT administration must exert pressure on creditors to renegotiate the debt, but he discarded the possibility of declaring a moratorium.

Deputy Eduardo Jorge (SP), however, asserts that the program proposals for the military cannot be supported by a party that claims to be democratic because they imply accepting an authoritarian concept "very typical of a leftist faction that still preaches dictatorial attitudes by parties." Jorge is a member of the Radical Democracy faction, known as the "PT right wing."

Dirceu retorted: "These proposals have civilian goals and cannot be mixed with the military regime programs. Only a person like Eduardo Jorge can oppose them."

Deputy Jose Genoino (SP) believes the PT program's economic nucleus is "too narrow." He also criticizes the program's concept of creating an administration with socialist prospects.

He said: "A leftist party must fight to have socialist values and ideals incorporated in the process and thus broaden the concept of citizenship."

PT To Decide on Constitutional Revision Participation

F[illegible]702131794 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Feb 94 p A6

[From the "Pomp Column" by Cristina Lobo]

[Text] After years of shifting (and disputes) among the various PT [Workers Party] factions, Luiz Inacio Lula da Silva has decided to pay more attention to his election campaign. He will attend a meeting of the National Executive and congressional party bloc members tomorrow when a final decision on the PT participation in the constitutional revision process will be made.

The results of the meeting are more important even than the votes of the PT during the work of the revision process. If those attending the meeting approve the proposal to participate, it will represent a defeat for the Shiites [fundamentalist PT followers], those who do not want the PT involved in broader alliances with the center-left, and those who want a radical government program.

The so-called "flexibility" sought by some PT factions, according to their proponents, will permit Lula to increase support for his candidacy above the present 30 percent level.

The PT candidate is being forced to change his opinion. After making a harsh speech against constitutional revision two months ago, in accordance with the position of

the National Executive, Lula now wants a "political participation," which is more in accordance with the wishes of the party bloc in Congress.

Another meeting with the same agenda took place last week but results were inconclusive. Lula was touring northern states at that time. He could have attended, but preferred not to. Now he is being forced to take sides in the PT internal dispute.

Constitutional Revision Work To Continue Until 15 May

PY1602231994 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 16 Feb 94

[Text] Constitutional revision work will continue until 15 May. Chamber of Deputies President Inocencio Oliveira said he has reached an agreement with rapporteur Nelson Jobim to extend the deadline for 15 days. Oliveira wants Congress to vote on 17 February on a resolution to extend the constitutional amendment works—which are currently scheduled to conclude on 15 March—including amendments to the social emergency fund and a reduction of the presidential mandate from five to four years.

On 22 February Oliveira will ask the party leaders to guarantee the presence of at least 20 percent of their congressmen in the plenary hall to guarantee a quorum for all constitutional amendment sessions. With the help of political parties and the definition of a minimum work agenda, Oliveira believes the constitutional amendment works may conclude on 1 May, leaving 15 days of extra time. He is sure the elections will not harm the constitutional amendment process. On the contrary, he said, the parties will wait to conclude the constitutional reform before defining their campaign strategy.

Senate President Humberto Lucena said he will suggest that the constitutional revision process be extended until 30 May because he said this is the preference of most parties.

Government Drafting New Economic Plan

PY1602203394 Sao Paulo FOLHA DE SAO PAULO in Portuguese 14 Feb 94 Section 1 p 5

[Article by Ediana Balleroni]

[Text] The government is preparing a new economic plan. The idea is to implement it once the Real Value Unit [URV] is transformed into currency. This will only occur if the government can substantially reduce inflation. The goal of the new plan is to implement an income distribution policy during President Franco's term in office.

The economic team's main concern expressed during a meeting on 12 February was to ensure that none of the proposed measures modify the current income distribution.

For the time being, the economic team does not want to touch anyone's money. Finance Minister Fernando Henrique Cardoso wants it clearly understood that the income policy has been left for another stage of the plan, thus avoiding the difficulties that made previous plans fail.

The creation of the URV will not mean the workers will have more money in their pockets. The economic team does not want consumption to grow as this may entail problems of speculation with stocks and shortages.

If the workers do not have more money at their disposal, they will not lose it either. That is why, at the 12 February meeting, the economic team once again discussed the need to end excessive price hikes and anticipated mark-ups that have taken place in the last few months in some sectors.

The economic team believe by acting in this way they will give credibility to the economic program. Following the institution of the URV as currency—which will take place during the first half of this year—the problem will be preventing its "contamination" by the inflationary process occurring in real cruzeiros. Once this is achieved, the new program will speedily be implemented.

The centerpiece of this new program is, for the time being, a mandatory profit-sharing scheme.

Profit-sharing is contemplated in the Constitution and has already been implemented by many companies, especially the multinationals, and this may facilitate its acceptance by more conservative businessmen.

Brazil has one of the highest income concentration ratios. It has always been President Franco's objective to correct this distortion and he has repeatedly said so to the economic team. Franco believes the new economic program is of paramount importance and must be implemented soon so that it can yield results during his administration.

Amorim: U.S. Patent Controversy at 'Difficult Point'

PY1702025394 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Feb 94 Economy Section P 1

[Article by Marcio de Morais]

[Text] Brasilia—Yesterday evening, shortly before leaving for Washington, Foreign Minister Celso Amorim admitted that the controversy between Brazil and the United States regarding patents and industrial property has reached "a difficult point." As the Brazilian Government's final attempt to solve this problem, Amorim accepted U.S. Trade Representative Mickey Kantor's invitation to meet at 1330 today.

According to the foreign minister, bilateral disagreements may be overcome through the joint effort of the interested parties. In Amorim's opinion, the controversial items—the local manufacturing of pharmaceutical

products, the retroactive recognition of patents (pipeline) [preceding word in English], the parallel importation of medicines and microorganisms, gained strength given the interpretation by each country. These differences, said Amorim, became more obvious during the GATT's Uruguay Round.

One of the things Amorim intends to explain Kantor is that Brazil fully accepts the section related to industrial protection (TRIPS) [Trade Related Intellectual Property Rights]. Amorim added that he must explain that the Brazilian Congress does not intend to reject the TRIPS. The foreign minister went on to explain: "The problem is that Congress will only vote on the TRIPS after its text has been signed by all the countries that signed the agreement during the meeting in Morocco last April." Amorim added: "I am certain Congress will approve it."

The agreement that may be reached today will have a significant impact on the approval of the Brazilian Industrial Property Code (CBPI) that has been submitted to the Senate.

U.S. Threats 'Have Very Little Effect' on Congress

PY1602182694 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Feb 94 p B1

[Article by Rosa Costa]

[Text] Brasilia—U.S. threats of retaliation, with the goal of speeding up approval of the Patents Law, have very little effect on the Brazilian Congress.

Most congressmen act as if they already are used to the U.S. reaction that began way before the government sent the bill governing the concession of patents in April 1991.

The bill has been handled for two years by the Chamber of Deputies, where it was changed by three amendments, and has been stuck in the Senate since it was received in July 1993.

Therefore, it is unlikely the bill will be approved by the end of this month despite the fact that it has become a habit for the Senate to approve issues—in a plenary session and very urgent discussions—before the permanent committees review them.

Sovereignty

Senator Josaphat Marinho (PFL-BA [Liberal Front Party-Bahia State]) noted: "It is an extremely complex and delicate issue to be voted on under pressure by foreigners." In the senator's opinion, civilized coexistence among nations does not allow threats even if one of the nations has a major interest in the handling of a bill. He said: "A nation may not impose solutions that depend on the sovereignty of another nation."

Senator Antonio Mariz (PMDB-CE [Brazilian Democratic Movement Party-Ceara]), who replaced Senator Elcio Alvares (PFL-ES [Liberal Front Party-Espirito Santo State]) as the Patents Law rapporteur, is in the United States receiving medical care. Last week, Mariz finally received the amendments submitted by his colleagues for discussion by the Constitution and Justice Committee and the Economic Affairs Committee.

Protection

This is the phase in which the handling of a bill largely depends on the national lobbies [preceding word in English]. The bill's text is under pressure from the church, which does not admit the patenting of microorganisms, and various industrial sectors, especially the pharmaceutical industry.

Itamaraty sources claim that the text approved by the deputies was subject to long discussions and negotiations between the government and entrepreneurs, thus making difficult the introduction of any radical changes to liberalize the text in the Senate. The bill approved in the Chamber of Deputies protects any product introduced, through a copy, into the domestic market before the new law.

Report Views Growth in Drug Trafficking

PY1602151494 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Feb 94 p C7

[Article by Paulo Sotero]

[Text] Washington—The official responsible for international drug trafficking control policies at the U.S. State Department said last week that his government "is seriously and extraordinarily preoccupied with the narcotics situation in Brazil." During an interview on 10 February, the day after President Bill Clinton announced his National Drug Control Strategy, Robert Gelbard, assistant secretary for international narcotics matters, said that despite "the dramatic increase" of drug trafficking activities in Brazil in the past five years he "is not sure there is full consciousness in the country about the dangerous levels the problem has reached."

According to the diplomat, who was the U.S. ambassador to Bolivia in the 1980's, Brazil today is—together with Germany, Switzerland, and China—one of the biggest suppliers of the chemicals used for manufacturing cocaine. The country also has become "one of the main routes for the transit of drugs, particularly on its way to Africa and Europe."

Brazilian Ambassador to Washington Paulo Tarso Flecha de Lima was informed during a recent conversation with another top-ranking U.S. official that the next annual report on drug trafficking the State Department will publish in a couple of months will say that during 1993 there was "a relaxation of controls" on drug trafficking in the country. Last week the ambassador asked the Foreign Ministry to supply him with information to reply to these allegations as well as Gelbard's public declarations.

In Brasilia, official sources recognized that the seizure of an increasing volume of cocaine confirms the increase in drug trafficking activities in Brazil. "The state's incapacity and corruption and the judicial system's inefficiency also have limited government actions," an official explained.

In any case, Gelbard's remarks were not well-received. "These remarks fail to recognize the country's continuous efforts to fight drug trafficking in very adverse circumstances," said one of the ministers' advisers interested in the problem. The official recalled, for instance, that the federal government recently created a Special Narcotics Secretariat to coordinate the fight on drug trafficking.

The Americans should know of the difficulties we are going through, another top-ranking official said. He added: "Today our Federal Police drug trafficking control programs are almost entirely financed by the U.S. Government, which is shameful for the country." During the past three years, Washington assigned Brazil a yearly amount of nearly $1 million (out of a total of $80 million allocated for international cooperation to fight drug trafficking).

Strictly speaking, Gelbard's remarks do not add anything new to what we already know. For the past few years Washington has been expressing concern about the expansion of drug-trafficking activities in the Brazilian and Venezuelan Amazon regions. As Gelbard said last week: "Just as in other aspects of its economy, Brazil has the capacity to produce a large-scale drug trafficking economy." Besides, "it is the only Latin American country that manufactures all the products necessary to become self-sufficient in narcotics production, from precursors to epadu [Brazilian coca plant]."

The fight on drug trafficking is one of the issues Washington wants to discuss during the hemispheric heads of state summit the Clinton administration is preparing for September.

Sao Paulo State Officials Leave for Cuba

PY1502213794 Sao Paulo GAZETA MERCANTIL in Portuguese 12 Feb 94 p 4

[From the "Names and Notes" column]

[Text] A delegation headed by Roberto Muller, secretary of science, technology, and economic development of the State of Sao Paulo, will leave for Cuba on 13 February on a cultural and technical-scientific mission at the invitation of the Cuban Ministry of Education. The delegation also includes Jose Fernando Perez, scientific director of the Fapesp [Sao Paulo Federation to Support Research]; Bauru Mayor Tidei de Lima; Antonio Marcio da Costa, cabinet chief of Unesp [Sao Paulo State University]; and Fernando Costa, representative of the Unicamp [Campinas State University] and of the Health Secretariat. The Cuban Government said that the invitation is aimed at strengthening cultural links and technical and scientific cooperation between Cuba and the State of Sao Paulo.

Draft UN Indian Rights Declaration Rejected

PY1702122694 Rio de Janeiro O GLOBO in Portuguese 16 Feb 94 p 4

[Article by Deborah Berlinck]

[Text] Geneva—During the annual meeting of the UN Human Rights Committee yesterday, the Brazilian Government protested over the draft text of the future Universal Declaration of Indian Rights prepared by the United Nations. The declaration, which was written by five UN experts, gives Indians worldwide the right to self determination. Based on the history of African countries, the Brazilian Government believes such a concept may give the Ianomami Indians, for example, the right to declare independence from Brazil.

The Brazilian concern is considered exaggerated by the Indian defense organizations present at the meeting. In a long speech Ambassador Gilberto Saboia clearly established that Brazil intends to oppose this or any other concept that places national sovereignty in jeopardy.

"The Declaration of Indian Rights must be simple, balanced, and realistic," the ambassador said.

Gilberto Saboia reminded the representatives at the meeting that such a declaration will have to be approved by consensus. That is, without the consent of Brazil the whole text will not be approved.

Saboia said Brazil does not accept the expression "indigenous peoples" in the draft declaration, for the same reason: The word "peoples" is historically linked with independence.

The ambassador said: "Statements like that in the draft declaration may prompt ambiguous interpretations that are out of keeping with international law, the principles and objectives of the UN Charter, and the basic principles of the sovereignty of state and territorial integrity,"

Saboia wants UN experts to clarify the meaning and extent of the principles described in the draft declaration which guarantees the rights to autonomy and self government for Indians. The controversy continues because the process of preparing the declaration does not end there: Before approval, the declaration must go through a series of negotiating channels within the United Nations and cannot be approved by the UN General Assembly without the agreement of members like Brazil.

* Survival of Guarani Indians Said in Jeopardy

94SM0212A Brasilia CORREIO BRAZILIENSE in Portuguese 9 Jan 94 p 19

[Article by Carmem Cruz: "Poverty Threatens Survival of Guaranis"]

[Text] The survival of Brazil's largest Indian nation—the Guarani tribe—which once occupied almost all of Mato Grosso do Sul State and part of the southern part of the country, is being threatened physically and culturally. In Mato Grosso do Sul, where the Guarani-Caiova and Guarani-Nhandeva subgroups are concentrated, their lands have been taken over by large landowners. Upon being evicted, the Indians congregate in a few areas such as Dourados and Amambai, where they are left to endure growing poverty. Sometimes they submit to the semislavery of working in the alcohol factories that have been set up in the area. In other cases they wander around and get drunk. And the number of Guarani suicides remains a sad constant.

Between 1986 and now, 116 Indians of all ages, but most of them young, have sought death by throwing themselves into rivers, taking poison, hanging themselves from trees, or killing themselves with knives. In 1987, the leader of Sete Cerros, Silvano Valiente, wrote a letter to the authorities asking that land be demarcated for his people. And he hanged himself. The situation grew worse in 1990, when 20 Indians committed suicide in Dourados alone. A total of 34 suicides were recorded that year. A report by the Funai [National Indian Foundation] office in Amambai shows that the figure was 23 the following year. There were another 21 suicides in 1992, and 17 Caiova and Nhandeva Indians killed themselves last year.

The explanation for so many deaths can be found in the Guarani belief that land is a divine gift to certain communities and that it therefore must not be exchanged or transferred to others. According to anthropologist Celso Shitosshi Aoki of the Caiova/Nhandeva Project, which has now been merged with the Center for Indian Work (CTI), the Guarani religion is complex and very strong, giving its adherents a holistic view of the world. "They do not understand, for example, why the whites cause them so much trouble, since they believe that it is the Guaranis who sustain life on earth through their prayers," the anthropologist explained.

Celso Shitosshi believes that the compulsory integration of the Guarani communities into the village of Dourados and other villages may be one factor explaining the suicides, but that liquor and the Pentecostal churches existing in the area are not preponderant factors. "I believe that the suicides have to do with the very way in which the Guarani must look at life from the standpoint of his religiousness," says Shitosshi, who disagrees with Funai's psychologist, Maria Aparecida da Costa Pereira, who stated in a report in April 1991 that the Guaranis were experiencing an identity crisis or losing their identity and that that was why they were committing suicide.

In that report, Maria Aparecida points out that the situation of the Guarani-Caiovas—who constitute the largest of the Guarani subgroups—is disastrous. "It is a society experiencing economic, political, and social crisis—engendering in turn a moral crisis—with juxtapositions and contradictions." She says that the solutions to the Guaranis' problems are to be found primarily in the "magico-religious" field and that at present, being faced with the imposition of "a non-Indian ethic on their magico-religious universe, particularly by the Pentecostal sects," they have had two alternatives: either reinvent themselves to fit a Western Christian concept or commit suicide as an alternative to living.

Suicide a Way of Asking for Help

For the Guaranis, according to psychologist Maria Aparecida da Costa, planting and religion go together. Because of that, leasing land to non-Indians is also a factor in self-destruction. In the village of Dourados, where more than 7,000 Indians are rubbing elbows with no room to live or plant, the Pentecostal sects are finding what Maria Aparecida calls "an anchorage.... given the fragile state of collective and interpersonal relations existing there." According to her, the Indians themselves admit that they are sick and disoriented psychologically. She sees the suicides as "messages of extreme supplication" by young people who have no strength left.

Aparecida recalled that at one big meeting, a young Caiova man said: "If they are not going to do anything for us, it is better to turn off the sun"—a metaphorical reference, the psychologist feels, to collective suicide. She emphasized that in view of the entire atmosphere of suicide in Dourados, measures must be taken to guarantee the minimum conditions in which the Guaranis can exercise their right to collective life. Anthropologist Celso Aoki goes further, saying that the Guaranis will not be able to reestablish the sociopolitical pattern for maintaining their ethnic identity until their lands are returned to them. "It is in the space defined by place that Guaranis fulfill their way of being and living and their traditions and customs: their 'tecoha.'"

Cases—Helio Bonito was 66 years old, Marcinei Souza only 11. Last year, they and 15 other Guarani Indians found in suicide the solution to the pain they were feeling. Helio Bonito threw himself into the river and drowned, while the Caiova youngster, who also lived in the turbulent village of Dourados 4 kilometers from the town of the same name, hanged himself from a tree. Two other members of a single family also killed themselves. A young girl named Neide Peixoto hanged herself early in October, also in Dourados. On the following day, her father took poison. Still in October, Ramon Garcia, 48, and Aparecido Barbosa, 40, hanged themselves in Amambai. The attempts at suicide are many and frightening.

Of the 21 suicides recorded by the Native Missionary Council (Cimi) and Funai in 1992, 20 were Guaranis. The other was 13-year-old Janevan Rosa of the Tereno tribe, who also lived in Dourados. She hanged herself. Besides those cases, three deaths by poisoning among the Yanomami Indians seem to have been intentional. In one of those cases, 10 Indians ate marine toad eggs,

which are known to be poisonous. Two died. And 24-year-old Piaba, whose family was decimated, ate nettle spurge.

The hope of the Center for Indian Rights, the Public Prosecutor's Office in Mato Grosso do Sul, and other institutions and agencies concerned with the problems of the Guaranis in Mato Grosso do Sul is that it will be possible to persuade the STF [Federal Supreme Court] to overturn the injunctions obtained by ranchers. If that happens, the ratification decrees will have more force.

Land Remains With Ranchers

The struggle by the Guaranis for their land has ended up in court. Although most of the areas have already been demarcated and ratified, the big ranchers occupying them—with land titles to back them up—are not returning what has traditionally belonged to the Caiova and Nhandeva groups. The Constitution clearly states (Article 231, Paragraph 6) that acts having as their object the occupation, control, and possession of Indian lands are null and void, but the ranchers, claiming that the land in question does not belong to the Guaranis, are trying to invalidate even the decrees ratifying those areas and signed by the president of the republic.

The Center for Indian Rights (NDI), in an alliance with the Public Prosecutor's Office in Mato Grosso do Sul, is defending the Guaranis in at least 10 cases now before the courts. According to NDI attorney Ana Valeria Araujo, a few communities have been able to hold out and remain in their original areas, but other thousands of Indians have been crowded into Dourados, Amambai, Caarapo, Sassoro, Takoapiry, and other places, where they live in a situation of growing poverty and despair. "They cannot live on the land that the government has taken so long to demarcate, and now it appears that the courts do not want to acknowledge their title to that land," said Ana Valeria.

According to her, when Funai began its process of identifying areas, the ranchers went to court, claiming that the land was theirs. The Indians came to be considered invaders. Beginning in 1992, Judge Susana Gomes of Federal Court No. 2 in Mato Grosso do Sul granted all the petitions by the ranchers to halt Funai's actions even though the Indian Statute stipulates that a preliminary injunction halting demarcation proceedings cannot be granted.

Judge Fears for Property Improvements

The Center for Indian Rights appealed those rulings to the Regional Federal Court for the Third Region in Sao Paulo, but there again, "the judges invented a way out by upholding only part of the appeal," says Ana Valeria. "Funai could put the markers in place, but it could not put the Indians on that land."

According to Ana Valeria, the Sao Paulo judge felt that if the Indians returned to their land, they might damage the improvements which the ranchers had made there in good faith and which are governed by the right to indemnification. Other actions still pending before the Federal Supreme Court challenge the decrees ratifying Indian areas. "The tendency is to reject them, since complex cases like these should not be debated in the form of injunctions, which are temporary and prove nothing," Valeria points out.

Communities Stand Pat

The process of demarcating Indian lands in Mato Grosso do Sul began with the establishment of the Indian Protection Service (SPI) at the beginning of this century. Areas totaling 19,845 hectares had been demarcated by 1935. Despite that, ranches continued to be established there, the ranchers obtained title to the land, and the problem has grown worse over the past two decades because of the continuing intention to settle the Indians in villages.

Six communities are holding on to their land, while families in other areas have been evicted or moved. New areas have been demarcated over the past two years, but they are occupied by few Indians.

The Guaranis are traditionally farmers, but they also engage in mining to a lesser extent. They live in groups of approximately 100 individuals in an area that they call "tecoha." According to Cimi's report, which is based on Montoia's dictionary, "tecoha" means "the place where one can find a way to exist."

People at the Mercy of the Courts

Until the situation is resolved by the withdrawal of the ranchers, the Indians will be living in desperation. One of the situations causing the most concern is that of the Jaguapire community in the municipality of Tacuru. The area in question, measuring 2,089 hectares, is now being used by two big ranchers: Jose Fuentes Romero and Otavio Junqueira de Morais. In 1984, the nearly 200 Indians living there were dispossessed by court order. In 1992, Minister Celio Borja recognized the land as belonging to the Indians, and the Guarani families who had been settled in Amambai decided to return, occupy a piece of land along the southern border of Romero's ranch, and resume their traditional activities.

They began planting the cleared land, sowed crops, and gradually reacquired their former autonomy. When their activities took them close to Otavio Junqueira's ranch, he obtained an order in the Iguatemi District Court prohibiting the Indians from occupying his part of it. The Military Police were called in. Meanwhile, rancher Romero, who was already involved in legal action in the federal courts in Campo Grande, asked for a restraining order to make the Indians withdraw. At the end of last November, the case was heard, and the judge upheld the rancher. The public prosecutor in Mato Grosso do Sul, Joao Heliofar de Jesus Villar, and the NDI attorney asked for a 60-day delay.

"That time is about to expire—on 29 January—and we have now appealed to the Regional Federal Court in Sao Paulo, but the trouble is that Judge Pedro Rotta of Section 2 of that court is not hearing the case," the prosecutor said, pointing out that the problem in the Guarani areas will not be solved until the Union takes real responsibility for demarcation. "It demarcates the land and then turns the matter over to Funai, which is helpless because it lacks the resources for enforcing any ban; all it can do is play a bureaucratic role, without taking political responsibility for the decision." Heliofar feels that if the problem is left solely in the hands of the courts, it will be five years before there is a solution.

Indians Number Nearly 30,000

The Guarani Indians are subdivided into three groups: the Caiovas or Pai-Taviteraos (which is what they call themselves in Paraguay), the Nhandevas, who also live in Mato Grosso do Sul, and the Mbi'as, who live in the states of Sao Paulo, Parana, Santa Catarina, and Rio Grande do Sul. Funai data show an estimated population of 30,000, making the Guaranis the largest Indian nation in Brazil. In second place are the Ticunas in the Amazon Region, who number about 23,000. In Mato Grosso do Sul alone, where the Caiovas are the majority, there are 24,400 Guarani Indians, according to a survey conducted in April of last year. That includes about 2,000 Indians scattered around in the various regions.

In an analysis made two years ago by the Native Missionary Council, experts collected historical data concerning the Guaranis, especially the Guarani-Caiovas, who descend from the Guarani-Itatims, to explain that group's current context of resistance and [word missing]. It is pointed out that their traditional territory was situated between the Paraguay, Mbotetei, and Pira'i Aquidaban Rivers and the Xerez lands and that at the end of the last century, they were living in the same region where they live now—the extreme southern part of the state from the Apa River to the Paraguayan border.

The etymological meaning of the name Caiova, according to Cimi's anthropologists, is "inhabitant of the jungle"—that is, the rain forest. They emphasize that this anthropological component of the Caiovas "needs to be thoroughly understood, since it is the establishment of ranches and the consequent deforestation that lead to the discovery of Caiova Indian villages." At the end of the last century, that group's territory was the scene of many battles in the Paraguayan War. The border divides the Caiova communities on the Brazilian side from those living on the Paraguayan side.

Chile

UDI Senator Criticizes U.S. Human Rights Report

PY1602140594 Santiago Radio Cooperativa Network in Spanish 2200 GMT 15 Feb 94

[Text] UDI [Independent Democratic Union] Senator Eugenio Cantuarias has criticized the Foreign Ministry's position regarding the U.S. State Department report.

It should be recalled that U.S. Government officials have issued a report stating that during 1993 there were several cases of human rights violations in Chile.

The U.S. ambassador stated that the report is positive, and the Foreign Ministry under secretary said it was better than the past one and it acknowledges the efforts made by the current government.

Cantuarias rejected the report, which he said was unacceptable because it represents an intervention in a democratic country where the state of law prevails.

The UDI legislator said Chilean dignity is trampled on whenever U.S. Government officials feel they have the right to intervene in domestic affairs and voice their opinion on our behavior.

Cantuarias then said that the United States has many unsolved problems and its officials should be busy trying to solve them.

Colombia

Naval Commander Cited on U.S. Troops in Juanchaco

PA1702004794 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 12 Feb 94 p 13A

[Report by Eduardo Carrillo in Juanchacho, Valle Department]

[Excerpts] Colombian military engineers, rather than U.S. Army engineers, are building the airport in Juanchaco with a clear vision of progress, wholly convinced of the national and international projection of the challenges the Pacific region faces for the year 2000.

Admiral Jose Ignacio Rozo Carvajal, commander of the Pacific Naval Force, has said, given the Navy's insistence and the decision by local authorities, Inter-Administrative Agreement No. 350 was signed on 17 August 1993 between the Valle del Cauca Department Governorate and the Defense Ministry.

He explained that on 29 and 30 October 1993 the ARC [Republic of Colombia Navy] landing craft "Bahia Solano," which belongs to the Pacific Naval Force, carried materiel, equipment, and a scouting detachment for the construction of a camp, which would precede the construction of an airport.

The Army Engineering Corps appointed the Codazzi Battalion to build the airport.

Military engineers believe the work to repair and extend the runway will be completed by late April, while the Valle del Cauca Governorate is in charge of building the control tower, passenger terminal, and access roads.

The only access road to the airport consisted of a dirt road that the U.S. soldiers have patiently turned into a

highway so they could proceed with the construction of a school and health center. [passage omitted]

Admiral Rozo Carvajal has explained the presence of the U.S. Forces has made it necessary to double security measures not only in Bahia Malaga but also in Juanchaco, Ladrilleros, and neighboring areas to prevent any problems.

"Security measures were increased to provide protection to the Colombian military engineers in charge of building the airport and the North Americans who are building a school and health center," he has said. [passage omitted]

Admiral Rozo Carvajal has said he "would be the first to notify superiors if anything exceeds the framework foreseen with the U.S. military engineers. I must notify them, and that is how it should be."

He has reasserted the Bahia Malaga Naval Base has regulations, an internal system, and the U.S. forces involved in "Fuertes Caminos 94" were instructed on what they could do.

"We control the speed of vehicles, the way they are parked, the notices and reports when the "Runnymede," a craft used to transport personnel and machinery, will be mobilized, when helicopter support is given, and other measures," added Jose Ignacio Rozo Carvajal, commander of the Pacific Naval Force.

Additional Reportage on Fujimori's Official Visit

Pledges To Campaign for Gaviria OAS Vote

PA1602234194 Madrid EFE in Spanish 2349 GMT 15 Feb 94

[Text] Santa Fe de Bogota, 15 Feb (EFE)—Peruvian President Alberto Fujimori today pledged in this city "to convince other presidents" of the region to vote for Colombian President Cesar Gaviria as OAS secretary general. President Fujimori said this during a news conference he held in Santa Fe de Bogota shortly before returning to his country following a two-day official visit to Colombia. He said: "I will be honest; I am personally going to talk to some presidents to make this candidacy strong, with possibilities of winning."

Fujimori underlined President Gaviria's "leadership in international forums" and stressed that Gaviria "has defended Ibero-American interests, democracy, and the steadiness of his position." The Peruvian ruler added that he will support President Gaviria's aspiration to occupy the OAS post, if he decides to run, and that he will do so "not only because of our friendship, but because I believe he is a good candidate for the job."

Although journalists were forewarned that only the visiting head of state would answer questions, Gaviria attended the same news conference. A few hours earlier, however, Gaviria had indicated he would make a decision about his eventual candidacy for OAS secretary general in the next few days.

Colombian Foreign Affairs Minister Noemi Sanin on 14 February told the media that if the election for OAS secretary general were held today, Gaviria would win. Regarding Sanin's comments, the Colombian ruler, whose term ends on 7 August, said: "I hope she is right." He added: "In any event, we have to wait and see."

President Gaviria said that he is going to "evaluate all opinions and requests from friendly countries before making a decision" about running. He said that he is very thankful nonetheless for "President Fujimori's advance support" for his eventual [as received] candidacy.

Gaviria Pleased by OAS Candidacy Support

PA1602185494 Mexico City NOTIMEX in Spanish 2233 GMT 15 Feb 94

[Text] Santa Fe de Bogota, 15 Feb (NOTIMEX)—Colombian President Cesar Gaviria said today he was pleased by the support he has received for his possible candidacy for OAS general secretary. Gaviria commented he will soon announce whether he will run. "I am pleased and thankful for President Alberto Fujimori's anticipated support of a possible candidacy for the post," Gaviria said during a tour with his Peruvian colleague through the crowded Ciudad Bolivar neighborhood, south of this capital.

Gaviria's still unofficial aspiration to the OAS post has gained momentum in recent days as former Bolivian Foreign Minister Carlos Irurralde withdrew his candidacy, while concomitantly announcing his support for the Colombian president.

The executive noted: "I must weigh the opinions and requests of friendly nations in order to make a decision in the next few days."

At the conclusion of a visit to Washington, Colombian Foreign Minister Noemi Sanin was "more optimistic than ever," stating that if OAS elections were held now Gaviria would win.

Colombia's political opposition, which has criticized Gaviria's aspirations for this post, called President Alberto Fujimori "Gaviria's OAS campaign manager." At the beginning of his two-day visit on Monday to Colombia, the Peruvian president made public his support for Gaviria's candidacy, arguing that the Colombian president's vitality and youth make him the best choice for the post.

Both presidents toured Santa Fe de Bogota's poverty-stricken neighborhoods, according to Fujimori, to "see how the Colombian Government faces problems with public services with a view to possibly transplanting this experience to Peru."

The visitor, who ended his stay in Colombia on Tuesday, awarded his host the "Sun of Peru" order in the "Large Cross With Diamonds" grade.

Diplomatic sources see a complicated scene for Costa Rican Foreign Minister Bernd Niehaus, Gaviria's main opponent, while noting that only Oscar Arias, former president of that same Central American nation, could pose a challenge to Gaviria for the post.

Media reports from Miami, Florida, indicated on Monday that Arias would be willing to accept the OAS candidacy if Niehaus withdraws and if this would guarantee Central America a place in the OAS General Secretariat.

Fujimori Notes Ties in Speech

PA1602234394 Lima Panamericana Television Network in Spanish 1200 GMT 16 Feb 94

[Speech by Peruvian President Alberto Fujimori at a dinner in honor of Colombian President Cesar Gaviria at the Peruvian Embassy in Santa Fe de Bogota; date not given; from the "Good Morning Peru" newscast—recorded]

[Text] The consolidation of the processes of political and economic reforms offers great possibilities for bolstering Colombian-Peruvian relations. That is why we fluently speak the common language of development today. A civilized way of life and democracy have been threatened similarly in Colombia and Peru. Colombians and Peruvians, however, have responded readily to the scourge of narcotraffickers and terrorists.

Our societies know that we will succeed in establishing a genuine peace on which we can build true progress and justice. I am convinced that as of now, based on the premise of consolidating the processes of modernization of our countries, perspectives will open so that the existing bilateral mechanisms will become more dynamic and high-level contacts between our governments will become more frequent and profitable.

I am sure, President Gaviria, that Latin America's hour is at hand. The bases that we are laying today are the cornerstones of the building to be shaped by the hands of the new generations with a view to the future. Our independence will be sealed with our national development. For this new stage of Colombian-Peruvian relations and for the realization and progress of our peoples, we mutually wish ourselves much success. Thank you very much. [applause]

Gaviria Addresses Dinner

PA1602223594 Lima Panamericana Television Network in Spanish 1200 GMT 16 Feb 94

[Speech by Colombian President Cesar Gaviria at a dinner hosted by Peruvian President Alberto Fujimori at the Peruvian Embassy in Santa Fe de Bogota; date not given; from the "Good Morning Peru" newscast—recorded]

[Text] Mr. President, under this new reality that we are experiencing of trade opening, political reforms, modernization of the state, and hemispheric integration, your presence currently takes on a significant meaning. The similarities in the problems that plague the Peruvian and the Colombian peoples pave the way for understanding and comprehension between us. I am referring to drug trafficking, terrorism, the extreme guerrilla violence, and, of course, poverty, indigence, and lack of opportunity that so harshly continue to hit some areas of our two nations.

We Colombians are pleased with the great progress Peru has achieved in recent times. The Peruvian economy that had reached astronomical inflation rates barely a few years ago, now has an inflation rate slightly higher than ours. Also, economic growth, which for more than two decades had been stalled, in 1993 achieved a 6-percent growth rate.

Likewise, drug trafficking, violence, and terrorism have strongly oppressed our peoples over the last decade. We are, however, winning this struggle. One only has to mention Abimael Guzman and Pablo Escobar's names to remind the most skeptical that no criminal, no matter how powerful he may appear, can indefinitely defy the will of a people who are not willing to live in fear. These people have found justice in their authorities through the required solutions. If the first one [words indistinct] is serving his sentence, the second was recently gunned down by our authorities.

This is why President Fujimori, I am certain that the positive results achieved by your government in the economic as well as political and social fields will allow Peru once again to be reintegrated into the international financial community, to advance with firms steps toward the encounter with progress.

From Peru arose the process that led to our independence, as well as Bolivar's integration [words indistinct]. We are united by the Amazon, the Andes, and the significant opportunities we have before us on the Pacific side. We are also united by that desire to [words indistinct] countries of a continent with a millennium of traditions; based on these we project ourselves toward the future. Few nations have [words indistinct] goals and expectations.

This is a happy occasion for all Colombians. My people and my government are honored by your presence, my president friend. There is a great deal that unites us. We have a common past, a common border, a [words indistinct], a cultural history, and a common future that men of your stature help to form. We must be conscious to share more in the future. We want our two nations to strengthen their ties of friendship. We want our mutual [words indistinct] to strengthen democracy and to give way to a better future for our children.

I know you well enough, President Fujimori, to say that you are a man of vision and of character, two of the vital [word indistinct] of true leaders. Allow me tonight to offer a toast to your country and to your personal well-being, with the hope that both nations will achieve peace, equality, and social justice which our peoples demand. [applause]

More on Conclusion of Visit

PA1702001594 Lima Panamericana Television Network in Spanish 1200 GMT 16 Feb 94

[From the "Good Morning Peru" newscast]

[Excerpts] President Alberto Fujimori's official visit to Colombia has concluded. The last day of his visit was very important, as the Neighbors Agreement that was signed will increase and strengthen Colombia-Peruvian relations. Both presidents spoke out in favor of the defense of participative democracy in the hemisphere. The presidents visited the [word indistinct] neighborhood, one of the most poverty stricken in this capital. [passage omitted]

Subsequently, President Alberto Fujimori visited Congress where he met with Senate President Jorge Ramon Elias, who invited him to sign the book of illustrious guests. [passage indistinct]

In the afternoon, the closing ceremony was held at the ministers' council room with the participation of state ministers, congressmen, and businessmen. On this occasion President Cesar Gaviria and President Alberto Fujimori signed the document organizing the Neighbors' Commission and Peruvian-Colombian integration.

Immediately after, the joint declaration signed by the presidents was read. The document contains 15 points of which the main ones are: Make official the conversations between the military commands to strengthen both nations' security; stimulate direct investment and the flow of capital; and step up agreements to wipe out drug production, trafficking, and abuse.

In the drug struggle, Peru and Colombia will develop specific initiatives with consumer nations. The presidents reiterated their rejection of terrorism and agreed prompt implementation of bilateral measures to wipe out this scourge.

To conclude, during a news conference, President Fujimori added that there will be greater exchange of information with Colombia in the struggle against drugs, the goal of which is to attack top drug traffickers. With regard to trade, he noted there is interest on the part of Colombian businessmen to invest in the Peruvian fishing sector. Here is what President Fujimori said:

[Begin Fujimori recording] Obviously, in the drug trafficking activity there are relations between groups who operate in Peru and Colombia. The arrest of the El Vaticano [Demetrio Chavez Penaherrera] is the best evidence of the results of this cooperation. We must continue on this road. Of course, there must be greater exchange of information; there must be extensive reciprocal cooperation in the investigations, in the sharing of experiences in the struggle against terrorism and drug trafficking that each country has gained in these past years. In my opinion, in this manner we could speed up somewhat the results against these social scourges. On this matter, I believe there is a great deal one can learn from past experiences; a great deal. Peru, for example has had specific experiences in its struggle against terrorism; its efficiency has been highly considered worldwide. This is an experience that we will gladly exchange with Colombia's experience where other mechanisms have also been used. [end recording]

* Sale of Bank, Licenses Boost State Earnings

94SM0214A Santa Fe de Bogota SEMANA in Spanish 25 Jan 94 pp 26-27

[Text] A few months ago, a debate was sparked between economic commentators and monetary authorities regarding the possibility that the country might have to endure a significant budget deficit next year because public spending was growing out of control. Backed into a corner by this questioning, Finance Minister Rudolf Hommes pulled a card out of his sleeve and said to some who were expressing concern about the growth of spending: "Those accounts do not include what cellular telephone companies will pay in licensing fees, which will amount to about $500 million."

Hommes was right in saying that this money would go a long way toward solving the deficit problem, but his calculations were a little off. As it became clear this weekend, when the bids of the various cellular phone companies were opened, the minister's figures will be doubled: Private companies will pay nearly $600 million, and their mixed-band competitors, who will be chosen in the next few weeks, must pay 95 percent of that amount, for a grand total of around $1.2 billion.

If we add to that the more than $400 million (347 billion pesos) that the nation will receive from the sale of the Bank of Colombia, after deducting the funds earmarked for replacing capital and guarantees that were uncovered, the result is that, thanks to these two items, the nation's coffers will be richer by more than $1.6 billion. This is equivalent to about 3 percent of the Gross Domestic Product, and is more than double the amount that the latest tax reform will bring in over a period of one year.

The cellular phone situation is perhaps the most interesting development, because in the final analysis the sale of the Bank of Colombia means that the state is recouping the investment it made 10 years ago when it intervened and nationalized that entity. But despite the difficulties that arose at the last minute in both cases, it appears that the auction mechanism is here to stay in this country. It is not such a novelty in the sale of a bank; the gavel has been used in the past to sell off financial institutions. But with respect to bidding to operate

public services, this development represents a major change, with two great virtues: its transparency, since subjective criteria give way to a very objective evaluation criterion (whoever offers the most money wins); and the way it optimizes state resources. If the government had set the value of the licenses according to its calculations, it would not have received even half what it actually obtained, given that the competition among several bidders to offer the best price necessarily drives up that price. The redistribution factor is another positive element of the auction; for example, much of the revenues from the sale of the Bank of Colombia will be used to pay overdue pensions.

To be sure, the auction can also be criticized because driving up prices will, in the long run, raise rates as the companies try to recoup what they invested in license fees. But since there will be competition between at least two companies, rates cannot climb too high. On the contrary, they may just lower the rates to attract more customers.

A more valid criticism may be that if all bidding is done through auctions from now on, only those with the most money will be able to participate: the same old handful of companies, which could lead to a greater concentration of wealth in Colombia. For many years now, analysts have seen that as one of the country's most serious problems. One way to mitigate these effects may be to pass antitrust laws, setting limits to the concentration of ownership. The incoming government will surely have to debate this issue.

In the meantime, the finance minister can rest assured: with full coffers, the specter of a runaway budget deficit seems to have been chased away.

Funds Obtained by State from Sale of Bank (in billions of pesos)

Cost of intervention and nationalization of bank, at today's prices	268.0
Approximate sale price of Bank of Colombia	410.0
Funds earmarked for covering capital and guarantees	-63.0
Net value obtained by the nation =	347.0
Distribution of Funds Obtained by the Nation	
For Financial Institution Guarantee Fund (Fogafin)	69.4
Budgeted in 1994 to make advance payments on foreign debt and back pension payments	277.0

Total Obtained by State From Cellular Phone Bidding and Bank (in billions of pesos)

Total obtained for cellular phone licensing	978
Total obtained from sale of bank +	347
Grand total =	1,325
Grand total in dollars	$ 1.625billion

State's Earnings on Cellular Phone Licenses (in millions of U.S. dollars)

License for private network in Eastern Region	335
License for private network in Western Region	160
License for private network on Atlantic Coast	120
Total	615
Amount mixed companies must pay for mixed network in the three regions (95% of what private companies pay)	585
Total to be received by the nation for mixed and private concessions	1,200
Total to be received by the nation, in pesos	978billion

Further on Gomez Endorsement of Pastrana Candidacy

PA1602230794 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 16 Feb 94

[Unattributed commentary; from the "National Newscast"]

[Text] Andres Pastrana performed magic. In less than one week he succeeded in reeling in Alvaro Gomez and doing away with a long- standing split within the Conservative Party. Everybody, except for the Alvarists candidates, is happy with this. On one side, the Pastrana supporters are happy. With the Conservative Party majority assured, Pastrana can devote his attention to seeking the votes he needs and consolidate his image as a national candidate.

The supporters of Liberal Party presidential candidate Ernesto Samper are also claim to be happy because they say the Gomez endorsement of the New Democratic Force shows Pastrana's faithfulness to the old Conservative Party, something that weakens his stance as an independent candidate. Pastrana supporters respond by saying that what has been confirmed is Pastrana's independence regarding his father, Misael.

For Andres Pastrana, the challenge is to gather Conservative votes and endorsements before and during the party's convention on 18 February and continue of appear as the young, independent, and suprapartisan candidate.

Further on Accord on Medellin People's Militias Disbanding

PA1602185194 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 16 Feb 94

[Report by Juan Ortiz from the "24 Hours" newscast]

[Text] Today the People's Militias and the Valle de Aburra independent militias signed a preliminary agreement to disband. These are the principal groups of this kind that exist in Medellin, Antioquia Department, and control the city's northeastern area. They emerged years

ago as instruments of self-defense against neighborhood violence and extortion by drug traffickers' henchmen.

The preliminary agreement took effect early today in Granizal neighborhood, where militias gathered surrounded by a crowd. They were transferred under police escort to a detente camp in Santa Elena district, 30 minutes from Medellin's downtown.

The negotiations began with the reading of the preliminary agreement and acknowledgment of this event by Government and Interior Minister Fabio Villegas. He described it as courageous and as an investment in the future.

[Begin recording] [Villegas] This is an example of how they can achieve their political goals, how it is possible to strive for their ideals amid tolerance, pluralism, and respect for the rights and lives of our people.

[People's Militias' spokesman Dennis Santamaria] It is absurd to continue with the armed struggle. We have to think of helping the country progress from another perspective, from the political and social perspective. [end recording]

The preliminary agreement recognizes these militia members as a political force. They will have six negotiators who must remain in the camp and five spokesmen who will mediate with the government on conditions for social investment for their communities and security in the neighborhoods, the most critical issue, since they fear an invasion by the militias of the Simon Bolivar National Guerrilla Coordinating Board once they disband and become legal.

UP Leader Adella Leaves Country Due to Threats

PA1602213094 Paris AFP in Spanish 2038 GMT 15 Feb 94

[Text] Santa Fe de Bogota, Feb 15 (AFP)—Aida Abella, a leader of the leftist Patriotic Union (UP) party, has left the country because she has received death threats, the UP directorate reported on 15 February in addition to disclosing a plan to "liquidate" its participation in the upcoming March legislative elections. According to a joint communique issued by the UP and the Colombian Communist Party, Abella, a Bogota municipal official and Senate candidate, has "received serious threats against her life and had to travel abroad urgently."

The communique added the leftist leader will use her trip to report to the UN Human Rights Commission meeting in Geneva "the systematic violation of human rights in Colombia under President Cesar Gaviria's government." The communique added Abella "will go to Amnesty International and other human rights organizations to reveal the fraudulent conditions in which the government prepares the 13 March elections."

Furthermore, the UP complained the Prosecutor General's Office had arrested Jose Antonio Lopez, the UP candidate to the Chamber of Representatives for the northeastern Department of Antioquia, and Nelson Campos, the mayor of the banana-producing community of Apartado and a UP member as well.

The Prosecutor General's Office had ordered their arrest in relation to its investigation of the massacre of 35 people in an impoverished Apartado neighborhood on 23 January.

Ecuador

* Andean Development Credits During 1993 Listed

94SM0210C Guayaquil EL UNIVERSO in Spanish 1 Jan 94 p 3

[Text] Quito—The Andean Development Corporation (CAF) approved credit operations during 1993 for a total of $232 million to carry out various development projects in Ecuador.

The executive president of CAF, Enrique Garcia Rodriguez, said that $55.6 million went to loans for investment projects and share purchasing, $174.9 million for short- and medium-term financing, and $1.5 million was allocated for technical assistance. He pointed out that the institution's credit support was concentrated primarily in two sectors: hydrocarbons and transport, specifically, the development of petroleum fields and the maintenance of the country's highway system.

Garcia Rodriguez said that this would result in an increase of foreign exchange earnings generated by the petroleum sector and, in addition, would facilitate the transportation of private sector products, internally as well as toward ports, increasing the competitiveness of domestic industry by reducing transportation costs.

* Minister Defends Treatment of Captured Guerrillas

94SM0210B Quito HOY in Spanish 13 Jan 94 p 5

[Letter to the editor by Defense Minister Jose Gallardo Roman]

[Text] From the minister of defense to the editor.

In the daily newspaper under your able direction of today's date [date of the letter], the columnist Mr. Javier Ponce, in an article titled "Not That Way, Don Marcelo," says the following: "No sir. These deaths (of the soldiers and policemen killed on the Putumayo River) cause us as much sorrow as they cause you. But what we do not accept is that prisoners were taken without cause, just to allow the minister of defense to have the audacity to say that these captures prove that our borders are well defended. And there is nothing else to say. Nothing to prove. Nothing more to lie about...because the remains of lies are the truths of power."

Mr. Ponce's remarks are a gratuitous and unfair accusation against the honesty of the minister of defense and the acts of an institution that has earned the trust of the Ecuadoran people.

What basis does Mr. Ponce have to accuse the minister of defense of lying and of behaving with audacity?

We cannot believe that his conduct is due to an incredible ingenuousness, but rather to the sickness of the most benighted sectarianism.

Of the 11 prisoners taken in the Putumayo River sector, six admitted that they were guerrillas and that they had taken part in the massacre of 13 members of the security forces, who were doing their duty, trying to protect their fellow men from the scourge of drugs, and five admitted that they were collaborators of the narco-guerrillas. These 11 persons were not arrested by chance or on a whim, but on the basis of evidence verified by experienced professionals—for example, a watch belonging to one of the victims was found on one of the prisoners, and also after questioning hundreds of persons. In order to prevent subsequent malevolent charges, the military forces filmed the interrogations in which the captured guerrillas admitted the details of their participation in the ambush, including the coldblooded murder of four members of the security forces at the order of a certain Commander "Pedro," who required them to commit this crime or pay for their disobedience with their lives. I invite Mr. Ponce and the human rights defense organizations to verify with their own eyes what the video clearly shows.

Despite the fact that the Armed Forces, from generals to conscripts, feel sincere respect for individuals and are under strict orders to avoid committing any violations, the Armed Forces command from the very first moment of this action issued written and oral orders to avoid any brutality or cruelty.

As soon as the investigation was completed, which necessarily had to be carried out at the scene of the crime, the prisoners were transferred to Quito to be turned over to the police authorities. Not because the "minister of defense was going to shine by showing off prisoners within 48 hours," as Mr. Ponce irresponsibly says, but so that they could be tried by competent judges and have the opportunity to defend themselves. The civilized and law-abiding manner in which the Armed Forces have behaved, and that deserves the recognition of the Ecuadoran people, is shamefully denigrated by Mr. Ponce.

The unquestionable fact that the narco-guerrillas have not penetrated, and coca and marijuana cultivation has not proliferated in such a difficult geographic area, inhabited by many illegal immigrants and not a few drug traffickers and criminals, is the result of devoted and persevering military patrolling that honors the Armed Forces, although Mr. Ponce may say that the prisoners were taken so that the minister of defense could have the audacity to say that the borders are well defended. The ambush did not take place in the interior of Ecuador, but on the banks of a border river.

Credit cannot be denied the Armed Forces so arbitrarily, as Mr. Ponce so impudently does, while conferring it, also arbitrarily, on confessed malefactors. What is the aim of this type of behavior? Is it to destroy the credibility of the forces responsible for maintaining the law and security so that the Ecuadoran people will remain defenseless before the aggression of the narco-guerrillas? This is why the words of Mr. Ponce who says, referring to the murdered policemen and soldiers: "those deaths cause us as much sorrow as they cause you," sound completely insincere and false.

Anyone, not to mention someone who writes for an important newspaper, knows that a person accused of murder will resolutely deny committing a crime punishable by 16 years of imprisonment; and he also knows that the guerrillas, the bolder and more able they are, know how to conceal themselves among the people, in whose eyes they seem peaceful citizens. They dress in the clothing of simple peasants, they work just as other country people do, but one day they dig up their weapons and kill without pity. If the Armed Forces were so ingenuous and unprepared as to allow themselves to be fooled by these tricks, they would not deserve the trust of the people, but rather their repudiation and the most severe sanction.

The prisoners are in the hands of justice, before whom they will have to prove their innocence. Justice is not being denied them. The Armed Forces are in no way interested in incriminating innocent people, but neither can they become accomplices to such a horrendous crime.

I think it is necessary to emphasize that the prisoners were turned over by the Armed Forces to the appropriate authorities, in the presence of journalists, and with individual medical examinations. None of the prisoners was in poor health, so as to make one think that they had been subjected to brutal treatment. The impressions on their wrists are to be found on those who have been bound or handcuffed for long periods because they are dangerous; signs of chafing on their bodies are the effect of carrying heavy burdens or weapons for long periods, or they are caused by traveling through the forest. They are impressions found very often on the body of a soldier or a guerrilla, and they are indications of the activity that person has engaged in.

Even before these accusations against military personnel were made, the minister of defense and the Armed Forces command ordered a complete and impartial investigation of those events. Our institution has the most interest in seeing that it not contain sadists or criminals, since we well know that these are the seeds of self-destruction.

There is in the Armed Forces a sincere feeling of respect for the dignity of the Ecuadorans, and we feel that this dignity is the principal object of our efforts to protect

security. For that reason, the agreement that the Armed Forces has with the Latin American Association for Human Rights, whose purpose is to encourage respect for those rights, and the agreement with the Ecuadoran Red Cross to foster international human rights, are evidence of the purest and most sincere desire to ensure that Ecuadorans live in complete dignity.

I believe that this letter also allows me to direct myself to my comrades in the Armed Forces, to ask them never to allow themselves to be led into criminal or abusive behavior, however brutal the narco-guerrillas and other criminals may be, because military commanders will take the necessary measures to ensure that the Armed Forces always keep their honor and credibility clean.

Mr. Editor, I believe that the minister of defense, chief of the military front, has every right to have this letter published on the same page on which the article by Mr. Javier Ponce appeared.

Confident in your sense of justice, I am pleased to reiterate to you my sincere consideration and respect.

Cordially, Jose Gallardo Roman General of the Army Minister of National Defense

* Minister Discusses Banana Quotas, Other Issues

94SM0210A Guayaquil EL UNIVERSO in Spanish 18 Jan 94 p 3

[Interview with Agriculture Minister Mariano Gonzalez by Roberto Peralta Cardenas; place and date not given]

[Text] If Ecuador agrees to the proposal of Colombia and Costa Rica to negotiate a fixed quota with the European Union (EU), we would be giving in to unfair demands. Referring to the banana issue, Agriculture Minister Mariano Gonzalez declared that is why we have taken our position on foreign trade and have said "no more obstacles to foreign trade."

The minister is firm in his position that "there must be a global quota and that market forces must be allowed to operate, so that those who can offer the best quality fruit at the best price are able to win a given share."

He admitted that centralism exists in the Ecuadoran Institute of Water Resources (INERHI) and said that "the current government has known of these irregularities from the beginning," and the National Council of Water Resources will be created as a result.

Gonzalez spoke with EL UNIVERSO during his recent visit to the Galapagos Islands to fulfill obligations of the chief executive. The interview follows:

[Peralta] After a lengthy process of negotiation, what is the situation with the country's banana trade?

[Gonzalez] If you start with the great discussions in 1992 about what could happen, and the famous fights, including the meeting of presidents "all fighting for free trade," the negotiations were not really successful, because regulation 404 was imposed at almost any cost by the European Community.

But everything has its good side and its bad side. On the good side is the fact that now we can enter markets that we could not legally reach before, such as France, England, Portugal, among other countries. The negative is that the global quota was reduced, and since then, there has been an effort led by Colombia to try to make the rule more viable. What was accomplished was not enough. Even more serious is that the Colombian Government did not consult with the other banana exporting countries, which caused resentment among most of us.

The Ministry of Agriculture has been much criticized as having no policy, but I must say that "it was not by luck that our country for the third consecutive year was the principal banana exporter to the EC, and we continue to lead in the world market as the first exporting country. This has been achieved by a policy of lowering prices at the opportune moment and by being attentive to changes in the market."

[Peralta] At the moment, one sees a divided region, Latin American unity no longer exists. How much does this affect us?

[Gonzalez] On learning of a division of the quota with the agreement of Colombia and Costa Rica, we learned that Ecuador would have no opportunity to win new markets until the year 2000 or 2002, and the quota they gave us was all we could sell.

This is why we have maintained the position, supported by Panama and Guatemala, that there must be a global quota and that market forces be allowed to operate, so that those who can offer the best quality fruit at the best price are able to win a given share. I believe that this is the idea that has prevailed recently.

I am sorry not to have attended the meeting called by Costa Rica, but I was also concerned because there had been certain rumors inside the GATT to the effect that the European Union's proposal would be discussed again at the Costa Rica meeting. When we learned of this, it seemed to us that it would be inopportune to attend the meeting because it would send a signal to the GATT that we were prepared to discuss a proposal that had already been discussed and to which "we had already said no."

We talked to Costa Rica and we said that we were willing to meet as often as necessary, but only when the results of the second panel's hearings are known. It is important to emphasize that there were to be two panels before the GATT, and that the GATT would later say that these regulations were not legal.

Based on these two legal-type resolutions and within the Uruguay Round, we will take the necessary steps to change regulation 404 and make it more compatible with free trade.

[Peralta] What would be Ecuador's position?

[Gonzalez] What Ecuador asks specifically is that a time limit of five or 10 years be placed on regulation 404, perhaps the life of the treaty of Lome. This is the treaty that ties the EC countries to a commitment with those ex-colonies even though they are aware that what they produce is not of good quality and is more expensive than what Latin America produces.

We also ask that they place a time limit on the existing taxes, a reduction to apply gradually to what was really agreed on in the Uruguay Round. It would be a reduction equal to that planned for the developed countries in the commitment to move to lower tariffs.

We also intend to try to increase the global quota because the latest figures on banana sales to the European Union talk of 2.5 million tons and the fixed quota is 2.2 million tons.

[Peralta] European integration brings with it the danger of reducing the market. How are you going to deal with this situation?

[Gonzalez] In fact, another reason we are saying that the quota should be increased over time is that there are countries we are selling bananas to that are not members of the EC but that are asking to enter it. The moment they enter the EC, and if there is a fixed quota, they would be diminishing the market. If the countries where we are now selling fruit come under the EC quota, we will be prevented from selling our bananas freely, as we have been doing until now.

With regard to this situation, we maintain that whenever a new country enters the EC, the quota should be increased so that we can continue selling to those markets as we have been able to do under free trade.

It should not be forgotten that Ecuador has a disadvantage since in order to reach the European market, to which we send 30 percent of our exports, we have to consider the passage through the Panama Canal and the added distance. In order to compete with Costa Rica, Guatemala, and Honduras, we have to have a product cheap enough to absorb the additional cost of the canal and the distance.

When Colombia and Costa Rica asked us to agree to the EU proposal, we told them that if we agreed to a fixed quota we would be agreeing to a position that is unfair. These are the basic outlines of our foreign trade policy, and we have said "no more obstacles to trade."

We did not attend the meeting in Costa Rica. We spoke with that country and told them that we are sympathetic to the idea of trying to reform regulation 404, but what has been proposed is not suitable. We are waiting to learn the result of the hearings, and we are pretty sure that they will say that the regulation is improper. Then we will initiate a commercial-type procedure prior to the 15 March signing of the Uruguay Round in order to say to the EC "now let us sit down and talk, based on these precepts."

They have said that if we do not accept their proposal, there will be no further negotiations, but we do not agree, and if they do not want to discuss it, we prefer to stay with regulation 404 as it is, rather than try for a new regulation.

[Peralta] Given the existence of quotas, what is the outlook for producers and exporters?

[Gonzalez] The ministry has had a very clear policy maintaining that it is in our interest to export a great volume of bananas and to set minimum export conditions, so that the country exports as many bananas as possible. When prices rise too high and market conditions become difficult, the first to suffer is the small farmer, because the large producer has his basic contracts with the big exporting companies, and he is the last to suffer.

Consequently, if there is a greater demand for fruit at a given moment, as is happening now, the minimum price for exports increases.

At this point we should be exporting more than in 1993. The first three weeks of 1994 have been excellent; between 2.7 and 2.8 million boxes have been shipped, which is very good for this time of year, and if this trend continues the year will be favorable.

Furthermore, the National Banana Program no longer takes a deduction from the producers. The only one who pays any kind of contribution, and it is very small, is the exporter, but with the increase in price in effect since 15 January, the producer will have more profits and will be able to take care of some of the debts and other problems that he might have incurred during the second part of the year.

It could even happen that prices rise above the official levels decreed by the government, during the coming months. I know that the first purchases by Chiquita were made this year, which means that another multinational has come to our country to buy. To the extent that we maintain a healthy competitiveness, we could see better days, in commercial terms, improved incomes, and more profits for the banana sector.

[Peralta] Will the country's membership in the GATT influence its position on bananas?

[Gonzalez] To enter the GATT, the country has to fulfill certain commitments. This week, a delegation from our country will begin new negotiations, there will be others in February and "we expect that by March or April, if there is no problem, we will be able to join the GATT, and we hope that it will be before the signing of the Uruguay Round."

[Peralta] The national position on agriculture has been criticized in the Andean Pact. Are there problems for the country?

[Gonzalez] We have to wait for the consolidation and the formation of the new Venezuelan Government, which is the source of most of the criticism. We hope to go ahead with the negotiations, as we have done so far. In reality, a consensus on agricultural policies exists among all the ministers of agriculture. Under the Cartagena agreement, agricultural matters are often negotiated that are outside my jurisdiction.

We have had a very clear policy on agricultural markets, regardless of what others may say who maintain that we should open up to the world market. We are protecting those products that are receiving subsidies elsewhere in the world. This is why we speak of price margins, it is the protection we give our farmers.

I have been criticized because I do not subsidize producers, and the reason is very simple. We have no money. And since we cannot subsidize our producers, we have to provide a margin of protection against unfair competition.

I must simply tell those who doubt the results that in 1993, we exported more than 60,000 tons to Colombia, we exported an important amount of rice, some soya, but it is a process that our producers must continue to learn. To the extent that we have responsible leadership in the associations, "especially on the coast," we can open up new markets and give incentives to the farmers to produce.

The problem in our country is not producing but marketing, and that depends basically on our farmers, on their business skills and on the farmers' associations. Unfortunately, we have no leadership on the coast, and that is a large part of the problem we are having in being able to market our products in the region and around the world.

[Peralta] Now that the Modernization Law has been passed, what steps is your ministry taking?

[Gonzalez] So far, as a result of decisions we have taken, there is new restructuring of the ministry that is being carried out by SENDA [National Secretariat of Administrative Development]. We made certain changes because there were some difficulties in the original presentation. We achieved a very important reduction in personnel on the order of 25 percent and we expect, with the Modernization Law, to make the final adjustments, without sacrificing the ministry's technical capability, as such.

The ministry should have a normative rather than an executive role. In other words, if we have to work in the area of agricultural extension services, we are not going to do it with ministry personnel but contract the work out, and if the objectives are not being achieved, we will have the option of canceling the contract, which we do not have now.

[Peralta] ENAC [National Enterprise for Warehousing and Marketing] and ENPROVIT [National Enterprise for Vital Products] are the first to pass into the private sector. What comes next?

[Gonzalez] We took the first step with ENAC and ENPROVIT. There were a great many stores in ENPROVIT that are no longer part of that institution, and when we evaluated the sales, we saw that we sold three times more with 60 of those stores than we sold in 200 of the stores that we still have. That does not include the stores owned by ex-employees that are really doing well, since they do not sell only 12 products, but whatever they want.

With ENAC, we have leased its silos and we expect to turn over to farmers other silos that we still have.

In addition, we also have some driers that we want to give directly to the growers' associations so that those who do not want to turn over their rice to the warehouses can negotiate their own terms.

The next step under the Modernization Law is that those persons who were not covered by the ministry's authority to negotiate their separation directly under their labor contracts can now do so. The Modernization Law will allow us to make a further reduction, but the process of modernization in the various offices and departments of the ministry has already begun and will continue, using the instruments that have been given to us.

The most important asset we have is the Gran Colombiana Merchant Fleet, in which we own 20 percent of the shares. The board of directors of the fleet has already given its approval for a representative to make an appraisal and arrange for the sale of those shares. The Coffee Bank of Colombia has offered another 25 percent of the shares for sale, which with Ecuador's 20 percent would make a package of 45 percent of the shares. We expect that this process will last two or three months more, and we will sell our interest in this important firm in order to capitalize the Development Bank. Unfortunately, these procedures take longer than one would like, but "we are on the road."

[Peralta] According to the law, there is a time limit for the sale of vehicles and the auctioning off of real property. What has been done?

[Gonzalez] The ministry has about 3,000 vehicles, of which 1,400 are operational. We have about 700 in poor condition that give us problems. The order has been given to sell those vehicles belonging to the various departments of the ministry. A general order was also given regarding the sale of clubs and offices, as well as nonproductive lands belonging to the departments. We have ordered that they also be sold.

[Peralta] To judge from the subjects under consideration, it would seem that the aim is to create the Ministry of Agroindustry and to eliminate the Ministry of Agriculture?

[Gonzalez] That is definitely not the case. The Ministry of Industry has its own responsibilities. What has happened is that there have been a number of changes, three ministers in 17 months. I spoke with then-Minister Garcia and he told me "you continue to handle this situation, since you have been following it from the beginning, but in fact it is something that is the responsibility of the Ministry of Industry."

We discussed this with Minister Maldonado, and, little by little, as he becomes familiar with all the details of what has happened in the negotiations, he will assume responsibility. The internal policies are really the responsibility of the Ministry of Industry, but there have been no talks in the sense of reducing his area of responsibility.

Roundup of Economic Developments

PA1502201794

[Editorial Report] The following is a compilation of reports on Ecuadoran economic developments monitored through on 15 February.

The Agriculture Ministry announced on Wednesday, 9 February, that in January Ecuador surpassed its export record by selling 239,130 tons of agricultural products in the international market. A ministry spokesman indicated that Ecuador was able to sell 58,403 tons more than in January of last year, despite restrictions imposed by the European Union. (Paris AFP in Spanish 1633 GMT 9 Feb 94)

Figures released on 9 February by the Ecuadoran State Petroleum Enterprise (Petroecuador) indicate a barrel of Ecuadoran oil sold for an average of $12.50 during in the early part of February. Last December, the average price per barrel dropped to $9. An attempt by the government to fill the gap in revenues caused by this drop led to a crisis in the country. (Madrid EFE in Spanish 1759 GMT 9 Feb 94)

Mexican Petroleum (Pemex) has signed a one-year contract with Petroecuador to purchase 2.555 million gallons of fuel oil. Pemex indicated it will receive this oil in 13 shipments worth $2-3 million each. Petroecuador has already signed a similar agreement with the U.S. companies Clarendon and Vito. (Mexico City NOTIMEX 1712 GMT 14 Feb 94)

In January, Ecuador began to withhold 20 percent of its coffee exports, joining producer countries that are seeking to stabilize coffee prices with this measure. During this period, Ecuador withheld over 11,500 sacks of coffee. (Quito Voz de los Andes in Spanish 2300 GMT 11 Feb 94)

Paraguay

Peasants Again Block Highway; President To Receive Them

PY1602215494 Asuncion ABC COLOR in Spanish 16 Feb 94 p 2

[Report from Jejui, San Pedro Department by special correspondents Esteban Acevedo, Judith Maria Vera, Eduardo Franco and Agustin Gaona]

[Text] On 15 February, approximately 1,500 peasants blocked General Elizardo Aquino Highway No. 3 near the bridge over the Jejui River demanding better prices for their cotton. Police personnel moved to repress the demonstrators but in the end an agreement was reached to negotiate and the blockade was lifted.

A group of congressmen arrived at the site and signed an agreement that addressed seven items. As a result of this agreement the blockade was suspended until 21 February when President Juan Carlos Wasmosy will meet with peasant union representatives at Government House.

The main items of the agreement are the peasant's request to have Agriculture minister Raul Torres and Agrarian Reform Institute President Cancio Urbieta removed, and the price of cotton increased to 1,500 guaranies per kilogram. The congressmen promised to investigate the monopoly of Cadelpa [Paraguayan Cotton Chamber] over the distribution of cotton seeds and agrochemicals, and to study the possibility of controlling the prices of basic staples.

As of 0900, some 1,500 peasants from various districts of San Pedro Department gathered at the southern end of the bridge over the Jejui River. The main purpose of the demonstration was to ask that the price of cotton, the cash crop which is being harvested now, be set at 1,500 per kilogram.

At first the demonstrators said that they would not leave until they received a concrete answer to their demands. They were unable, however, to continue their demonstration because PEO [Special Operations Police] troops used force to keep the highway open, hurting a few people in the process.

At one point San Pedro Governor Erico Ybanez showed up and tried to calm things down. Instead he heard loud criticism for his lack of action to resolve the problems of the peasants. Ybanez had to leave in a hurry harassed by the peasants who kept accusing him of helping them only when he needs political support.

A group of congressmen including Senators Elba Recalde, Pura Aguero de Decoud, and Juan Manuel Peralta, and Deputy Jose Vazquez Vazquez later arrived.

The legislators came to seek a quick agreement that would reopen Highway No. 3. It was very obvious from

the very beginning that the peasants were not well organized, which led to unnecessarily long discussions about what should done.

Each peasant representative talked about their concerns and they all complained about the shortcomings of the administration's agricultural policy, the lack of a clear-cut cotton policy, and their ongoing woes caused by the low price of agricultural crops and the high cost of living.

After a discussion that lasted more than four hours, legislators and peasants finally reached a temporary agreement by which the road block was lifted. The legislators promised that President Wasmosy will meet with the cotton farmers.

Wasmosy Admits Peasants' Plight

PY1602212494 Asuncion ABC COLOR in Spanish 16 Feb 94 p 5

[Text] Paraguayan President Juan Carlos Wasmosy yesterday acknowledged the existence of poverty and landless peasants, adding that the administration will need more funds all the time to finance agriculture and development. He said this to Argentine Chaco Province officials who visited him at Government House.

Speaking about the country's needs, the president stated that in its quest for the wellbeing of all those who live all Paraguay, his administration is committed to doing everything it can to help the peasants. The president also mentioned other urgent issues such as education and health. He explained that his administration will do everything it can to satisfy the various strata of the population.

Ambassador Believes U.S. Troops' Presence Beneficial

PY1602165794 Asuncion ULTIMA HORA in Spanish 14 Feb 94 p 24

[Interview with Juan Esteban Aguirre, Paraguayan ambassador to the United States, by reporter Andres Dario Cardozo Hohn; place and date not given]

[Excerpt] [passage omitted] [Cardozo] Ambassador Aguirre, it would seem that the United States still distrusts us as far as drug trafficking is concerned.

[Aguirre] The United States has given top priority to the drug problem. We need a precise diagnosis of drug trafficking in Paraguay. There is a problem and we need to know how bad it is to be able to implement the appropriate corrective measures.

I believe that at present we do not have the diagnosis of the situation that we need.

As to the request to allow U.S. troops into Paraguay, I do not believe it has anything to do with drug trafficking. I do not believe the U.S. military is coming to fight drug trafficking in Paraguay. As far as I am concerned, the two issues are not connected because we handle drug trafficking at another level, working with the United States through the National Antidrug Secretariat (Senad).

[Cardozo] Then what would be the point of these troops coming to Paraguay?

[Aguirre] I believe the United States looks for friendly, safe countries to train their troops.

If we bear in mind the role the United States plays in the world, where they deploy and use their Armed Forces to resolve problems, we will realize that there are few places in the world where they can send their soldiers without fear that they might be attacked.

[Cardozo] Would our country benefit from the presence of these soldiers?

[Aguirre] In addition to what they are promising to build, we also would benefit from being able to watch the deployment of the world's most advanced military technology.

Defense Minister: Cancellation of U.S. Maneuvers 'Normal'

PY1602141094 Asuncion ULTIMA HORA in Spanish 15 Feb 94 p 6

[Text] National Defense Minister Hugo Estigarribia Elizeche said he still has not received official confirmation of the cancellation of the "Strong Roads of the South" operation that consisted of the entry of 600 servicemen for the construction of schools, roads, and water wells in San Pedro Department.

The U.S. answer was officially delivered on 14 February by U.S. Ambassador Jon Glassman to Paraguayan Foreign Minister Luis Maria Ramirez Boettner, with whom he met for some 45 minutes.

The U.S. ambassador regretted the fact that U.S. servicemen were unable to carry out social work in San Pedro Department because the "Strong Roads" operation was "for the benefit of Paraguay, however, there is no problem if it does not want the operation to be carried out; there will be no retaliations nor ill feelings."

The defense minister said: "I have not been officially informed yet; I have read the press reports. This seems to be a decision by the U.S. Government based on Paraguay's proposal. Well, it may take place some other time."

He added that he did not think the U.S. answer was negative, taking into account that it was based on terms imposed by Paraguay for the entry and stay in the country of U.S. servicemen.

Estigarribia commented: "I do not think it is negative for Paraguay to establish normal terms for the entry and stay of foreigners in the country. In other words, it is not wrong to establish those sorts of requirements."

The minister said: "It is completely normal because it is in the hands of the party that makes the offer to accept or reject the terms in a negotiation."

In referring to joint U.S.-Paraguayan military operations scheduled to take place in 1994, Estigarribia said they are normal exercises that are carried out every year.

He added: "They are normal operations that take place every year within the framework of an agreement and accepting all the terms regarding the entry and stay in the country. I do not think these operations are going to pose any problems."

The minister explained that the United Forces operations are carried out with the U.S. Army, while the Unitas operations are carried out by the Navy.

In the opinion of National Encounter Senator Luis Alberto Mauro, the terms established by the Paraguayan Government to allow the entry of U.S. troops into national territory are a pretext rather than measures to safeguard national sovereignty.

Mauro said the fact that the U.S. servicemen will not come to our country represent a victory for General Lino Cesar Oviedo, "who exerted pressure because the U.S. Government accepted the participation of the Paraguayan Public Works Ministry rather than the Army."

The senator added: "I do not think the United States intends to tread over our sovereignty nor that anybody within the government seriously believes that these terms are designed to safeguard sovereignty." He added: "The Paraguayan peoples' deception represents a victory for Gen. Lino Oviedo because it was he who convinced [President] Juan Carlos Wasmosy about this."

Mauro insisted: "It is obvious that these requirements are designed to obstruct and jeopardize the entry of servicemen who intended to build civilian works. It is only a pretext that has nothing to do with the zeal to safeguard national sovereignty. I deeply regret the fact that these civilian works will not be built because they would greatly benefit the country, and that the Unitas maneuvers have been authorized at a historical moment when they are really not justified because there is no belligerency, no border conflicts at either the international or regional level. This is a case of opting for weapons instead of peace, because opting for peace would have meant accepting the entry of servicemen to build civilian works."

Government Appoints New Narcotics Police Director

PY1602025094 Asuncion ABC COLOR in Spanish 15 Feb 94 p 73

[Text] The Executive Branch yesterday released a decree appointing retired Police Superintendent Publio Fretes as the new director of the National Narcotics Directorate (Dinar). Fretes was the head of the Investigative Department during the previous government and according to the "Terror Archive," he was one of Pastor Coronel's [former investigative police chief accused of human right violations] trusted men during [Alfredo] Stroessner's dictatorship.

Presidential Decree 2325 says that Publio Fretes replaces Superintendent Justino Ramon Bracho "who will receive another assignment."

Surprised Dinar officials confirmed in the afternoon that the decree was released yesterday morning without them knowing that their director had been changed.

Peru

CCD To Question Bustamante on Passage of Jurisdiction Law

PA1702003794 Paris AFP in Spanish 1702 GMT 15 Feb 94

[Text] Lima, 15 Feb (AFP)—The Peruvian opposition on Tuesday initiated the process whereby Council of Ministers President Alfonso Bustamante and two other members of the cabinet will be formally questioned about their approval of a controversial law that transferred jurisdiction of the case involving the disappearance and murder of nine students and one professor, presumably by soldiers in July 1992, to a military court.

An opposition coordinating board announced on Tuesday morning that most of the questions will be directed at Bustamante, who must clearly establish whether or not there is any truth to the growing rumors of his resignation from the Council of Ministers.

Another question he must answer is why he failed to sign the controversial law, which has been viewed by various sectors as a "coup d'etat" against the Judicial Branch because of its "unconstitutional" nature, according to Congressman Fernando Olivera.

The procedures for the questioning have come at a time when rumors are circulating regarding the possible U.S. withdrawal from the Support Group seeking Peru's reinstatement in the international economic system. "There is no official report concerning a possible suspension of U.S. support," says Democratic Constituent Congress [CCD] Vice President Carlos Torres.

The local media expressed concern over statements by U.S. Senator Bob Graham, who said on Monday during an official visit to Peru that the law's approval "may constitute a reversal of the pledge to restore democracy and respect human rights." Nevertheless, Graham said he is confident that the discrepancy between the two governments will be resolved through dialogue.

The other two ministers who may be questioned are Defense Minister General Victor Malca, for his alleged political responsibility in this case, and Justice Minister Fernando Vega, who signed the law.

Local observers maintain that if there is any truth to the reports published in just about every Peruvian newspaper to

the effect that Bustamante is resigning, a ministerial crisis may be brewing and it might break upon President Alberto Fujimori's return from Colombia. Bustamante is a member of his official entourage.

In accordance with the controversial law, known as the jurisdictional dispute law, the Supreme Court resolves litigation between civilian and military courts. The law was enacted precisely when a court was hearing the case of the nine students and one professor from La Cantuta University in Lima, whose charred remains were discovered in common graves on the outskirts of Lima last year.

By virtue of the law, the case was settled when three Supreme Court justices voted in favor of transferring the case to a military court and two voted in favor of the common courts, thus eliminating the need for a decisive vote. In the past the Supreme Court required a majority of four votes to resolve a jurisdictional conflict and in the event of a split decision, another justice would cast the decisive vote.

Opposition congressmen on Tuesday began collecting the 27 signatures required for approval of the ministers' questioning.

Fujimori To Confirm Bustamante Resignation

PA1602192194 Lima Radio Programas del Peru Network in Spanish 1800 GMT 16 Feb 94

[From the "Newspaper of the Airwaves" newscast]

[Text] President Alberto Fujimori will confirm in a few hours the resignation of Alfonso Bustamante y Bustamante as president of the Council of Ministers. Bustamante reportedly resigned on 10 February after the government decided to promulgate the law on the controversy over jurisdiction.

Unofficial Sources Say Bustamante Confirmed Resignation

PA1702022094 Lima Global de Television Network in Spanish 0100 GMT 17 Feb 94

[From the "Global TV News" newscast]

[Text] Unofficial sources reported today Alfonso Bustamante y Bustamante, president of the Council of Ministers, has confirmed his decision to resign, which he had made known in his resignation letter of 10 February. He has resigned because he disagrees with the so-called La Cantuta Law, which has transferred the trial to a military court.

It has been reported Bustamante confirmed his resignation when he learned of the sentences requested today for the people responsible for the disappearance of the students and professor.

Meanwhile, international agencies reported today Bustamante's resignation has sparked a new political crisis in the Fujimori Government, because the La Cantuta case invalidates all the work Bustamante has carried out to improve Peru's image abroad.

Bustamante is the fourth president of the Council of Ministers of this term. He is also chairman of the Commission for the Promotion of Peru's Image Abroad [Comision de Promocion de la Imagen de Peru en el Extranjero, Promperu] and industry, tourism, and integration minister.

Bustamante and Economy Minister Jorge Camet have implemented an aggressive economic policy aimed at reestablishing economic ties with the developed countries.

At the Industry Ministry it has been reported that Bustamante worked until noon today.

The Government Palace has issued no official comment on the resignation of the Council of Ministers president.

Foreign Minister Efrain Goldenberg To Replace Bustamante

PA1702050194 Hamburg DPA in Spanish 0444 GMT 17 Feb 94

[Text] Lima, 16 Feb (DPA)—Foreign Minister Efrain Goldenberg was designated new prime minister [as received] of Peru tonight, replacing Alfonso Bustamante, who resigned due to his differences about how the thorny "La Cantuta case" was handled, it has been officially announced.

Shining Path Directive 'Signed by Guzman' Released

PY1702130294 Lima EXPRESO in Spanish 5 Feb 94 p A3

[Text] Shining Path [SL] members who fled to Sweden have issued a lengthy and confusing leaflet, dated 3 December, under the letterhead Popular Movements Peru [Movimientos Populares Peru], which reveals their acceptance of a "peace agreement" proposed by SL leader Abimael Guzman to President Alberto Fujimori's government. The leaflet, entitled "New Great Decision: Strive for a Peace Agreement in Peru!", was sent to EXPRESO together with—and this is what is amazing—a "Directive" signed by Guzman.

The directive, text of which we publish below, was drafted on 22 October 1993 and nobody knows how it got from Guzman's cell in the Callao Naval base to Stockholm. As can be seen in the "contents and grounds" of the "Directive", Guzman says that with him and the rest of the leadership in prison, the "revolution" is not possible and proposes to postpone it until the 21st Century.

Directive: Contents and Grounds

By thoroughly assessing our situation and prospects, we have come to the conclusion that the PCP [Peruvian

Communist Party] must assume and strive for a New Great Decision and Definition. The following are the main grounds for this:

1. One phase of the revolution has ended. Here's to the next phase of the World Revolution! Each party and organization must clearly and deeply determine how it serves and will serve the RPM [World Proletarian Revolution]... Our Decision and Definition adjusts to our situation.

2. The bureaucratic path is gaining shape and becoming feasible!

3. The GP [Popular War] can only remain as it is, rather than develop and pose growing threats.

Six indispensable conditions for victory are at stake:

1. Proletarian leadership;

2. Support of the masses;

3. Strategic centralization;

4. New type of army;

5. Extended war; and

6. Favorable international situation.

(The first is the most important of the six conditions.)

4. The Leadership problem cannot be solved on a timely bases.

5. New Great Decision: "Strive for a Peace Agreement!" and a Great Definition: Second Congress. The first represents the grounds, and the second the guidelines. Aim for the 21st century as a decade.

6. Miracles will be possible as long as the masses and Party exist.

This is the Directive. It should be firmly and resolutely implemented.

22 October 1993

Signed: President Gonzalo, leader of the PCP.

'Directive' Letter Analyzed

PY1702123594 Lima EXPRESO in Spanish 6 Feb 94 p A2

[Article by Manuel D'Ornellas]

[Text] The contents of the "directive" sent by Abimael Guzman to Shining Path [SL] members living in Sweden—which was published yesterday as an exclusive by EXPRESO—are worth studying. It is also interesting how that "directive" found its way out of Guzman's cell in the Callao Navy base—where he is supposed to be isolated—and how it got to Stockholm.

As for the contents of that directive, several issues must be studied. First, "President Gonzalo" at no time says he will give up his objectives or ideology; he simply expresses in other terms what in other letters he described as a "retreat."

Second, he establishes a date on which the "peace agreement" will end and when hostilities will resume: "The 21st Century as a decade," he states. Guzman thus believes that at the beginning of the next century his organization will have completely recovered its capability to attack and destroy the Peruvian State, or that he will by then be freed through an amnesty of some administration.

Guzman states in his letter to his comrades in Sweden that the main problem of the "people's war" which "cannot develop" is found at the level of the "proletariat leadership" which "cannot be solved on time." This means that as long as he and his close aides are imprisoned, everything must be paralyzed. (It must be pointed out that he has not even considered replacing his leadership with other members.)

To summarize: This is not an authentic surrender. It is just a tactical capitulation to recover from some wounds and to regain forces which, Guzman estimates, will take a minimum of six years until the beginning of the first decade of the next century.

Nothing justifies having allowed Guzman to violate his isolation and send the letter to Sweden—which obviously happened with the consent of the authorities, unless otherwise proven.

We hope that the government is not giving a better treatment to the man responsible for the most atrocious years of Peruvian history in exchange of epistolary offerings. A Justice Ministry report explaining the conditions of the imprisonment of Abimael Guzman would not go amiss.

Daily on Prospects for Peace Agreement With SL

PY1702002194 Lima EL PERUANO in Spanish 9 Feb 94 pp A6, A7

[Excerpts] Worldwide experience tells us that the road to a peace agreement is long and winding. This was the case in Colombia between Virgilio Barco's government and the M-19 [19 April Movement], in El Salvador where the FMLN [Farabundo Marti National Liberation Front] caused some 75,000 deaths, and even in Europe and the Far East. Therefore, it is too soon to say whether or not the efforts being made by the government to reach a peace agreement with the Shining Path [SL] will be fruitful. To hold talks by no means mean to negotiate.

Some weeks ago SL slogans, quite different to the usual ones, appeared on walls and even on posters. They read: "Let us strive for a peace agreement;" "Let us stand and fight for a great decision and a great definition;" and, "Let us support President Gonzalo [SL leader Abimael

Guzman] and the leadership." In addition to this, last 25 January a local newspaper published a long SL document, which is "secret" according to the newspaper's editors, entitled: "The SL is using the 'peace agreement' to gain time."

These facts inevitably awakened more than one specialist on Shining Path affairs, "experts" who study the violence phenomenon in Peru, with some exceptions obviously, whose apocalyptic predictions made before 12 September 1992 [when Guzman was arrested] we had forgotten. [passage omitted]

Santiago Pedraglio, another expert on the subject, believes it is a mistake to identify what is called a "peace agreement with the overall pacification of the country."

He said: It is fair to request the ideological defeat of the SL, but we should not "confuse apples and oranges." There is a time and way to defeat the SL ideologically, but this not the same as a political, and especially a military, defeat. The ideological defeat does not fit in a negotiation, no matter how different it may be. The Shining Path's ideological defeat not only concerns the government and Fujimorism, but also and especially the opposition... It is surprising, therefore, that criticism of any negotiation with the SL is coming from some of those who for many years fervently upheld the need for a political outcome to the armed conflict. It seems that they are blinded by their anti-Fujimori feelings. This is extremely dangerous because it encourages a military outcome from the opposition. [passage omitted]

Military, Subversion 'Analyst' Interviewed

PY1502191494 Lima LA REPUBLICA in Spanish 30 Jan 94 Sunday Supplement pp 14, 15

[Interview with Enrique Obando, a military and subversion analyst, by Vidal Silva Navarrete—place and date not given]

[Text] [Silva] Having read the Shining Path's [SL] "secret document" that was published by LA REPUBLICA this week, are there any changes in countersubversive strategy?

[Obando] A change was noted at the time [SL leader] Abimael Guzman's first letter was released; this document confirmed the change, clarified things, and ended speculation. Now we know what Abimael wants.

[Silva] What does he want?

[Obando] Two things: First, to save the leadership, and second, to save his entire party. The document says: "The people's war should not be developed, it must merely be maintained." As a precondition he establishes the need for a proletarian leadership, subordinated—of course—to him. The document adds: "The leadership problem will not be resolved for a long time." The document ends by quoting Mao: "All kind of miracles will be performed as long as there are masses and parties."

[Silva] Who is using whom? Is the government using Guzman or is Guzman using the government?

[Obando] Both are attempting to use the other.

[Silva] With what objectives and what are the risks?

[Obando] The SL seems to be trying to save its leadership on the understanding that members have a messianic view of their leaders. Guzman considers himself the greatest Marxist-Leninist alive and the only one who can give the right direction to the world revolution. That is why it is essential to save the leader.

[Silva] Save him from death?

[Obando] They know they cannot be sentenced to death but they are trying to maintain Guzman's contact with the party because it is useless to have a leader if there is no contact with the party. Guzman has managed to pull the strings of the party again and is trying to prevent the government from squashing the party completely because he knows this can happen.

[Silva] Is Guzman in complete control of the party?

[Obando] He controls the people in prison and is trying to control the people outside prison.

[Silva] Can that split the party?

[Obando] Yes. But he controls the party's internal struggle like in the old times. He talks about developing the struggle between two lines and "trying to keep the exodus to a minimum."

[Silva] So the government allowed Guzman to take back control over his party which he lost for a year by being kept incommunicado.

[Obando] That is right. Guzman is struggling, and apparently winning, the struggle against the group headed by Comrade Feliciano [Oscar Ramirez Durand, SL chief in central Peru]. I understand Feliciano's people are being reported to officials by the Guzman group.

[Silva] What does the government want?

[Obando] To discredit Guzman. The myth already ended, first, when he was captured and again when he wrote the letters asking for negotiations toward a peace agreement. After calling the president a murderer, who starved people, of being a servant of imperialism, he now treats him with respect, even with words of praise...

[Silva] With its references to 5 April [1992, the date on which President Fujimori dissolved Congress]?

[Obando] Exactly. But the government also wants the SL to lay down its arms. Guzman has the key to that because he says five or six years will pass before returning to the arm struggle. Meanwhile he says the talks must be in

diplomatic language, no arms must be used, and a struggle must be made to allow a new revolutionary wave to emerge. Fujimori is thus assured that there will not be any attacks during those five or six years.

[Silva] Will he then be reelected?

[Obando] The big question is if, after that pause, we will see new and bigger attacks than those we have seen so far or if the government will use this truce to crush the Shining Path once and for all.

[Silva] Will this be only a truce?

[Obando] It could be but, there is also the possibility that the government will use Guzman to crush the Feliciano group, and once this is achieved then also crush the Guzman group.

[Silva] So both Guzman and the government get an advantage from the negotiations. The question is, who losses?

[Obando] It depends. It is possible that July 1995, which is the date given by Fujimori to crush the SL, will not be fulfilled but if someone sticks to that date Fujimori may agree to nonaggression for some time. Thus, everyone apparently will win but the country will lose in the long run. It would be the hibernation of the SL prior to a bloodier and more destructive return. This would be an act of treason.

[Silva] Do you believe this is happening?

[Obando] I don't think so, there is no reason for it and the Armed Forces would not allow it. The Armed Forces could crush the Shining Path. The proof of this is the fact that Guzman is negotiating. He would not negotiate if he knew his party's life was not at stake despite the blows.

[Silva] How can a man who was sentenced to life in prison and to be held incommunicado, exert pressure and negotiate?

[Obando] He cannot exert pressure. The SL received a harsh blow but, as the period of agony can last five years or more, the government wants a shortcut and are hurrying to fulfill a political promise in 1995 for electoral reasons. The SL could be crushed slowly but inexorably. There is no need to rush. The SL was hit hard because it was rushing, because it took a terrorist shortcut to take over the government in 10 or 15 years instead of its publicized prolonged people's war of 50 or 60 years. For taking a shortcut in 1995, one could make the mistake of making a pact with the enemy and this is what should not be done. The war could last four or five years more and we will win it for sure, but because we want to win before the 1995 elections we will make a pact and subsequently lose.

[Silva] You said the Armed Forces would not allow a pact with the SL, but why think of an institutionalized Armed Forces instead of thinking of an institution where personal calculations and the permanence in the commands are at play only because of the possibility of a presidential reelection?

[Obando] The Armed Forces and the police paid for their partial victory with their blood. There are lower rank officers who paid with sacrifice and with their lives for the struggle against the SL. These officers would not see the negotiations with good eyes if they know they can win.

[Silva] Under what conditions are negotiations held with the enemy?

[Obando] Negotiations are held when there is a military draw or when they are unable to obtain a achieve an easy victory and there is no desire to pay the price.

[Silva] But is there not a military draw now?

[Obando] Yes, but the cost that would be paid would be much less than what has been paid so far in almost 14 years of war. It would be like giving away something for no reason.

[Silva] The officers who were directly involved in the war would see the negotiations badly but unable to revert the situation because of the vertical command in the Armed Forces?

[Obando] Depending on the agreement reached and whether it would allow the SL to fulfill its objective, there may be some uneasiness in the Armed Forces, except among those who identify themselves with the government.

[Silva] Were some officers annoyed when Elena Iparraguirre received a cake on her birthday?

[Obando] Even some civilians were annoyed, but the fact that she received a cake does not seem to me as serious as reaching an agreement in the terms established in the document.

[Silva] Do you have doubts about the authenticity of the document?

[Obando] The way it is written seems to me identical to the terms the Shining Path leaders have always used, it seems an authentic document of the SL leadership in which they admit some things that are becoming very difficult to do.

[Silva] Considering the strict control on Guzman, the Intelligence Service must have known about this document before it reached SL militants.

[Obando] I have no doubt about that because as far as I know the document was sent by a SL woman leader from the Callao military base to another prison to convince other members to obey Guzman.

[Silva] The document describes facts or situations that occurred after Guzman was captured. For example it has economic information released this month such as the

1993 inflation rate or the growth of the gross domestic product. Does Guzman have full access to press information?

[Obando] Undoubtedly this could have been the first point of negotiation, the lifting of the incommunicado status allowing the visit of other SL leaders from other prisons, the possibility of writing, reading, watching television. Guzman knows what is happening outside.

[Silva] Is the court sentence to keep Guzman in complete incommunicado status being violated by the government and the Intelligence Service?

[Obando] In theory he is supposed to be incommunicado but I would not make a big issue out of this under the understanding that it is being done to defeat the Shining Path.

[Silva] Is there anything unclear in the negotiations?

[Obando] This is a game in which the one who hides his cards from the enemy wins. If the government announces its plan and everyone knows about it, then it gives victory to the enemy. We all know the SL plan and this is an advantage for the government.

[Silva] Why is it not possible to have a pact with the SL?

[Obando] Because in an agreement there are two parties that yield some. Guzman says he promises peace for a period. What can the government give in exchange? It cannot allow the SL to become a legal political party or surrender in stages by keeping armed cells. The only possibility is to discuss the penalties for the ones who surrendered or conditions for imprisonment. That would be like planting a bomb for the next government and that would treason.

[Silva] What other characteristics do you see in the document?

[Obando] First, an ideological reaffirmation of Guzman's leadership, a recognition that circumstances have changed, and that appropriate decisions must be made such as the peace agreement, and the second congress. The big question is: how can Guzman believe he will win with this strategy when all the things he writes and the talks he holds are known by the Intelligence Service? Guzman is no fool, he knows that, which makes me fear there is some agreement about which we do not know.